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HOUSE OF COMMONS

Thursday, July 19, 1973

The House met at 2 p.m.

PRIVILEGE

MR. ATKEY—REFERENCE TO ANSWER BY PRIME MINISTER

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I rise on a question of privilege as a result of a substantive change in *Hansard* of the answer given by the Prime Minister to a supplementary question I put to him yesterday. My line of questioning concerned one Ronald Patrick Lippert, a Canadian who has been held as a political prisoner in a Cuban jail for ten years. I asked the Prime Minister whether he was taking into account the fact that the prisoner himself, through his family, had requested the intervention of the Prime Minister.

The answer given to me in the House by the right hon. gentleman was, to the best of my recollection: "Mr. Speaker, I was not aware of that fact." My recollection has been confirmed by the hon. member for Leeds who has taken a continuing interest in the subject matter of the question. Yet *Hansard* reports the Prime Minister's answer as follows: "Yes, Mr. Speaker, I was made aware of that fact."

This is really the opposite of the Prime Minister's actual answer given in the House. Either *Hansard* has made an important error of substance or, as more likely may be the case, the Prime Minister or someone from his office has deliberately changed the answer on the blues prior to printing when it was found that the Prime Minister had made a mistake. If the latter is correct, Mr. Speaker, I would submit that this deliberate change in substance infringes not only on my privileges but on the privileges of all hon. members in the light of the dangerous and unfortunate precedent which is set.

Mr. Speaker: Order. I would rather the Prime Minister did not reply to the hon. member's charge. It is very seldom that the Chair intervenes in matters such as this, but when a serious accusation has been made, as has been made today by the hon. member for St. Paul's with the apparent support of the hon. member for Leeds, the Chair thinks it has a duty to look at the record. I have looked at the record, and the hon. member's charge that someone in the Prime Minister's office has altered the record is without substance. The record shows that according to the *Hansard* report—and I think hon. members would wish to give some substance to the reports and the records as they appear for the benefit of the House—that the Prime Minister used the following words: "Yes, Mr. Speaker, I was made aware of that fact." That has not been corrected by anyone, so the hon. member's question of privilege is at least questionable.

Some hon. Members: Hear, hear!

Mr. Cossitt: Mr. Speaker—

Mr. Speaker: Is the hon. member rising on a question of privilege?

Mr. Cossitt: Yes.

Mr. Speaker: It cannot be on the same question of privilege, because I ruled there was no question of privilege.

Mr. Cossitt: In view of the fact that my name has been mentioned by the hon. member for St. Paul's, I feel I should be entitled to make a brief statement on this matter.

Mr. Speaker: Order, please. The hon. member is not entitled to make a statement on that point. The hon. member for St. Paul's raised an alleged question of privilege. I have studied the record. I say there is no question of privilege. If the hon. member for Leeds wished to raise a question of privilege he ought to have given advice and notice to the Chair. This, he did not do. I think we have to proceed with the business of the House.

• (1410)

ROUTINE PROCEEDINGS

[*English*]

ENERGY

SUGGESTED MEETING OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP TO DISCUSS TAPS TANKER ROUTE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to ask leave to present a motion under Standing Order 43. The motion speaks for itself, so that no preamble is necessary. I believe if hon. members listen to it carefully, they will agree to it. I therefore move, seconded by the hon. member for Kootenay West (Mr. Harding):

That Mr. Speaker be requested to seek an immediate meeting of the Canada-United States Interparliamentary Group, so that Canadian parliamentarians can make known to their United States counterparts their views on the movement of Alaskan oil down the west coast of British Columbia and through the Strait of Juan de Fuca.

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

Some hon. Members: Agreed.

Mr. Speaker: Is it agreed? There appears to be unanimous consent.

Labour Relations

Mr. Baldwin: On a point of order, Mr. Speaker, I did not quite hear the motion and wonder if it could be read again. I wonder if the words "bunch of parliamentarians" were included in it.

Mr. Speaker: It is moved by Mr. Knowles (Winnipeg North Centre) and seconded by Mr. Harding:

That Mr. Speaker be requested to seek an immediate meeting of the Canada-United States Interparliamentary Group, so that Canadian parliamentarians can make known to their United States counterparts their views on the movement of Alaskan oil down the west coast of British Columbia and through the Strait of Juan de Fuca.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

SUGGESTED CHANGE IN QUORUM OF STANDING JOINT COMMITTEE ON STATUTORY INSTRUMENTS

Mr. Speaker: I have the honour of advising the House that the Senate has sent a message requesting its approval for setting the quorum of the Joint Standing Committee on Regulations and other Statutory Instruments at seven (7) members, provided both Houses are represented whenever a vote, resolution or other decision is taken and that the joint chairmen be authorized to hold meetings and receive evidence so long as five (5) members are present and provided both Houses are represented.

[*English*]

[*Later:*]

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, in relation to the message from the Senate just read by the Chair, I should like to move:

That the quorum of the joint committee of the Senate and House of Commons on regulations and other Statutory Instruments be fixed at seven members, provided that both Houses are represented, whenever a vote, resolution or other decision is taken, and that the joint chairmen be authorized to hold meetings and receive evidence so long as five members are present, provided that both Houses are represented; and

That a message be sent to the Senate to acquaint Their Honours thereof.

Motion agreed to.

* * *

LABOUR RELATIONS

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—SUGGESTED INTERVENTION BY MINISTER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I, too, wish to move a motion under Standing Order 43 and I hope that it, too, will commend itself to the House, because it relates to a matter of some urgency and of national importance. Pursuant to Standing Order 43, I wish to move a motion of urgent and pressing necessity based on the following facts.

Reports today indicate that the two sides in the railway dispute are so far apart that only personal intervention by the Minister of Labour (Mr. Munro) can end the threat of a Canadian rail strike. I would therefore move, seconded by the hon. member for Peace River (Mr. Baldwin), the following motion:

That this House immediately request the Minister of Labour to meet both sides in the dispute to secure agreement on a contract which will eliminate the threat of a national railway strike and the national consequences thereof.

Mr. Speaker: The House has heard the motion proposed by the hon. member for St. John's East (Mr. McGrath) under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

CANADIAN COASTGUARD

SUGGESTED REFERENCE OF STATEMENTS ON TRANSFER OF COLLEGE TO STANDING COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I wish to move a motion under Standing Order 43 relating to a matter of urgent and pressing necessity.

Reports have persisted for some time that the government planned to move the Canadian Coast Guard College, now located in Cape Breton, to the Ottawa Valley. I have repeatedly asked questions about this rumoured relocation and have repeatedly been assured by ministers of transport and by the government minister who supposedly protects the interests of Cape Breton, that this would not happen.

Mr. Speaker: Order, please. Perhaps the hon. member might indicate the terms of the motion. As the hon. member knows, under the terms of Standing Order 43 it is not possible to bring forward argument or discussion in support of the proposed motion.

Mr. Muir: Thank you, Mr. Speaker. I shall come immediately to the motion. I therefore move, seconded by the hon. member for Cape Breton-East Richmond (Mr. MacInnis):

That the matter of the misleading, contradictory and incorrect statements made by the present and former ministers of transport and the President of the Privy Council concerning the future of the Canadian Coast Guard College in Cape Breton, be referred to the Standing Committee on Privileges and Elections.

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

Some hon. Members: No.

Mr. Speaker: The hon. member will have heard that there is not unanimity in this regard.

Mr. Muir: Yes. The right hand man of the President of the Privy Council said no.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of order reflecting once again on the automatic refusal of government members in respect of motions under Standing Order 43. I would draw the attention of the Speaker to the fact that there was a "no" from the other side of the House in respect of the first motion moved by the hon. member for Winnipeg North Centre. I heard "no's" in all three cases.

Mr. Speaker: Perhaps the hon. member had a negative ear because I certainly did not hear it.

* * *

FEDERAL-PROVINCIAL AFFAIRS

SUGGESTED CONFERENCE ON ALL TYPES OF INSURANCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Gilbert (Broadview): Mr. Speaker, I rise under the provision of Standing Order 43 on a matter of urgent and pressing necessity. In view of the announcement by the Canadian Underwriters Association to the effect that the costs of car insurance will be increased by 5 per cent to 16 per cent in six provinces which do not enjoy the benefit of provincial automobile insurance, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the federal government take the initiative and call together a federal-provincial conference to deal with all aspects of car insurance, general and life insurance, so as to ensure that Canadians in all provinces would enjoy the benefits of insurance programs at reasonable costs comparable to those in Saskatchewan and Manitoba.

Mr. Speaker: Order, please. This motion again is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimity in respect of the motion of the hon. member for Broadview?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Apparently there is not unanimity. The motion cannot be put.

WESTERN ECONOMIC OPPORTUNITIES CONFERENCE—TABLING OF FINAL BACKGROUND DOCUMENT

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, under Standing Order 41(2) I should like to table in both official languages the final federal background document for the Western Economic Opportunities Conference.

● (1420)

CANADIAN CITIZENSHIP ACT

AMENDMENT TO FACILITATE GRANTING CITIZENSHIP TO NON-CANADIAN MEMBERS OF ARMED FORCES

Mr. Joe Hueglin (Niagara Falls) moved for leave to introduce Bill No. C-214, to amend the Canadian Citizenship Act.

Some hon. Members: Explain.

Mr. Hueglin: The purpose of this bill is to facilitate the obtaining of Canadian citizenship by those men who have served in the Canadian armed forces and who are not in possession of Canadian citizenship. It is concerned primarily with veterans, and I am certain it will be dealt with in the manner in which veterans affairs have customarily been dealt with in the House. I commend it to the Minister of Veterans Affairs, and to the gentleman in charge of citizenship—

Mr. Speaker: Order, please. Is it the pleasure of the House that the hon. member shall have leave to introduce the said bill?

Some hon. Members: Agreed.

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

ORAL QUESTION PERIOD

[*English*]

ENERGY

PROPOSED MACKENZIE VALLEY PIPELINE—ALLEGED DELAY IN TRANSMITTING CORRECTED REPLIES TO UNITED STATES INQUIRIES ON CANADIAN POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of the revelation yesterday that the government did not make the Canadian position on the Alaska route and the Mackenzie alternative clear in answering questions put by the United States state department, and in view of the amazing delay in communicating corrections in government answers from June 27 to July 16, can the Prime Minister explain to the House whether the original answer was government policy and if the correction concerning Canadian ownership was the result of a change in government policy after June 27, 1973?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, perhaps I might be allowed to answer. May I say specifically with regard to the last question, the answer is no. It was not a recent change in government policy; it was a position that had been decided last summer.

With regard to the delay in transmitting the clarification, I should point out that the Canadian embassy in Washington communicated the exact terms of the clarification to the state department on July 6 and that the U.S.

government at that time was in full possession of the clarification, including being aware of the fact that there was one answer for the gas pipeline and another answer for the oil pipeline.

An hon. Member: A lot of gas.

Mr. Baldwin: Hogwash.

TAPS TANKER ROUTE—ALLEGED DELAY IN PRESENTING CANADIAN POSITION TO UNITED STATES—GOVERNMENT ACTION TO CORRECT

Mr. John A. Fraser (Vancouver South): My supplementary question is again to the Prime Minister, although he may wish to refer it to the Minister of Energy, Mines and Resources. In view of the fact that the TAPS proposal has been a matter of concern both for the U.S. government and the government of Canada for several years, and in view of the Prime Minister's repeated assurances that the Canadian position had been clearly and forcefully presented throughout to the U.S. government, can the Prime Minister inform the House why it was not until July 16, 1973 that the government finally presented to the U.S. government the full Canadian position?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): That is not correct. The Canadian position was communicated to the American authorities as far back as May 1972 to Secretary Morton. The most recent statement, as I pointed out to the hon. gentleman, was communicated to them on July 6. If the state department chose not to pass on that information, I cannot be held accountable for that.

Some hon. Members: Oh, oh!

Mr. Fraser: I might point out to the Secretary of State for External Affairs—

Mr. Speaker: Order, please. Perhaps the hon. member would like to ask the supplementary question.

Mr. Fraser: Again I direct my supplementary question to the Prime Minister who once again may wish to defer to the minister. In view of the fact that the government did not advise the House of the U.S. inquiries and the government's replies, and in view of the fact that the existence of such replies was only released to the press after my questions of July 6, can the Prime Minister now advise the House as to exactly what immediate steps the Prime Minister is prepared to take directly with the U.S. government to correct the damage done by this incredibly inept piece of nineteenth century quill pen diplomacy?

Mr. Macdonald (Rosedale): Mr. Speaker, as the hon. gentleman should know, the answers given to the State Department were repetitions of answers given to him and to others in public, and indeed some were direct quotations of answers given in this House. In other words, there was no new statement of policy involved in that.

[Mr. Macdonald (Rosedale).]

TAPS TANKER ROUTE—REASON FOR FAILURE TO COMMUNICATE CANADIAN POSITION THROUGH DIPLOMATIC CHANNELS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a supplementary question to the Secretary of State for External Affairs. Why did he not communicate the change in the Canadian position, announced on July 6, in response to the questionnaire submitted by the United States Secretary of State, as would be the usual way? In other words why did he not, through his department, communicate formally with the U.S. Secretary of State rather than leaving it for the Minister of Energy, Mines and Resources to write a letter to the U.S. ambassador accredited in Ottawa?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it is not unusual, in relations between Canada and the United States, for my colleagues to communicate with their counterparts in the United States, or in response to inquiries in their specialized fields, and I think the Minister of Energy, Mines and Resources did the usual thing in his usual, efficient way.

Mr. Stanfield: Did not the Secretary of State for External Affairs, through his department, make a formal response to the questionnaire as of June 27, I believe it was? Did not the Department of External Affairs make that communication to the Secretary of State?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, perhaps I might respond to that because the American Embassy did not communicate with the Department of External Affairs but communicated directly with my department. It was for that reason that my department responded, and the actual communication was made through the Canadian embassy in Washington with the State Department, but of course communication was going on at the same time with the American embassy here in Ottawa after we received the inquiry.

Mr. Stanfield: Is it correct then to draw the conclusion that the Prime Minister and his government have taken this matter so seriously and have been so concerned, that the correct position of the government of Canada was communicated by letter to the United States ambassador to Canada some four days after it was published in Canada and, as a result of this inept and careless proceeding, this did not get to the United States Congress until July 16?

Mr. Speaker: Order. I am sure the Leader of the Opposition will appreciate that a question asked in those terms is not in order.

TAPS TANKER ROUTE—POSSIBILITY OF DELIVERING OIL TO POINTS IN UNITED STATES SOUTH OF VANCOUVER ISLAND

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I wish to direct a supplementary question to the Secretary of State for External Affairs. In view of the potentially tremendous oil hazard to the coast of British Columbia, and in particular to that part of the seacoast which would be affected by a major oil spill in the Strait of Juan de

Fuca, I would ask the minister if the government has had active discussions with the United States on the possibility of having all Alaskan oil delivered to points on the U.S. west coast south of Vancouver Island, where there are far fewer navigational hazards than in the Strait of Juan de Fuca?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. That is exactly the point we have made to the United States on many occasions.

Mr. Macdonald (Rosedale): On a question of privilege—

Mr. Speaker: Is the minister rising on a point of order?

Mr. Macdonald (Rosedale): On a question of privilege with regard to the remarks of the Leader of the Opposition, Mr. Speaker. I think it is only fair from my standpoint to indicate that the State Department had agreed to release the information on July 6, and it was only on July 9, when we found they had not released the clarification and, at their request, that we submitted the letter on July 10. It was our understanding that they would release that information on July 6, and it was only when we found out that they did not do it that we sent them further clarification.

● (1430)

Mr. Speaker: Order, please. Perhaps there might be some order. I realize the hon. member for Kootenay West has a supplementary, but perhaps the Chair might be allowed to recognize the hon. Leader of the Opposition first and then go to the hon. member for Kootenay West.

Mr. Stanfield: On a point of order, Mr. Speaker, arising out of the remarks made by the Minister of Energy, Mines and Resources. I should like to point out that the normal way to communicate on a matter of such importance as this—

Mr. Guay (St. Boniface): That is not a point of order.

Mr. Stanfield: It is as much a point of order as my hon. friend's question of privilege. I will be very brief and to the point. I just make the point that the whole procedure was sloppy and there was no follow-through, even assuming that what the minister says is correct. There was no follow-through at all.

Mr. Speaker: Order, please. I recognize that the hon. minister was rising on a point of debate in the same way as the hon. Leader of the Opposition. Perhaps we might now go to the hon. member for Kootenay West for a supplementary.

Mr. Harding: Mr. Speaker,—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Kootenay West has an interesting and relevant supplementary to ask.

TAPS TANKER ROUTE—POSSIBLE DELIVERY OF OIL TO CHERRY POINT BY CANADIAN PIPELINE

Mr. Randolph Harding (Kootenay West): Mr. Speaker, my further supplementary is to the Secretary of State for External Affairs. What has been the result of the talks for possible oil deliveries to the United States through other United States west coast ports or to the Cherry Point refinery in Washington by way of an existing Canadian pipeline?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as my colleague, the Minister of Energy, Mines and Resources said yesterday, and as my colleague, the Minister of the Environment has said on many occasions, it seems to us only to make sense that the Cherry Point refinery should be served from interior points and not from sea and that would meet our main problem.

Mr. Speaker: Order, please. I appreciate there are supplementaries from the hon. member for Victoria and other members. Perhaps for a change of pace the Chair might be allowed to recognize the hon. member for Bellechasse.

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[*Translation*]

UNEMPLOYMENT INSURANCE

CLOSING OF DAVIE SHIPBUILDING—ELIGIBILITY OF LAID-OFF EMPLOYEES FOR BENEFITS—REPRESENTATIONS OF COMMISSION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Since a number of employees have become involuntarily unemployed as a result of the closing down of the Davie Shipbuilding yards in Lauzon, and that they are having a hard time obtaining benefits for that period of unemployment, can the minister tell the House whether he has received representations from the Unemployment Insurance Commission in this regard?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, to the best of my knowledge I have not had direct representation but I will certainly consider the hon. member's representation today and see what can be done about it quickly.

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ENERGY

TAPS TANKER ROUTE—POSSIBLE ACTION TO REMEDY MISREPRESENTATION OF CANADIAN POSITION TO UNITED STATES

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my supplementary question is to the Secretary of State for External Affairs. In view of the almost unbelievable position in which we now find ourselves that the Canadian west coast is going to get a tanker route to which all west

coast residents are opposed, apparently because our affairs of state are now being carried on using the InfoCan *Hansard* clipping service—

Mr. Speaker: Order, please. I am sure that the hon. member appreciates that a question cannot be asked in those terms, and that it is not conducive to the orderly conduct of business to ask questions which are clearly out of order.

Mr. McKinnon: Mr. Speaker, I will try to get to the question to the Secretary of State for External Affairs who must take responsibility for this communications muddle. Can he explain to the House in a straightforward way what he intends to do to retrieve the situation, if it can be retrieved?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I want to make it perfectly clear that the position of the Canadian government has been known, to the Congress of the United States, the State Department, this country and this House, for many months and has not changed.

* * *

COMBINES

ALLEGED COLLUSION OF AUTOMOBILE INSURANCE COMPANIES TO INCREASE RATES—REQUEST FOR INVESTIGATION

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the recent announcement by the Canadian Underwriters' Association that the cost of automobile insurance will increase in the six provinces which do not have a provincial automobile insurance program by 5 per cent to 16 per cent effective August 1, 1973, would the minister tell the House whether he has instructed his officials to investigate this massive and concerted move on the part of private insurance companies for a possible violation of the Combines Investigation Act?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is my intention to draw this point to the attention of the officials of the combines branch to see whether any question has been raised or would be raised under the Combines Investigation Act.

REQUEST FOR STUDY OF PRIVATE AND PROVINCIAL AUTOMOBILE INSURANCE SCHEMES

Mr. John Gilbert (Broadview): A supplementary. Would the minister tell the House whether it is his intention to instruct his officials to study the automobile insurance rates in all provinces and to publish the results of such study so as to inform Canadian consumers everywhere about the relative merits of provincial car insurance programs as compared with private insurance schemes in the other provinces?

Hon. Herb Gray (Minister of Corporate and Consumer Affairs): Mr. Speaker, I will consult with my officials about that and see whether the suggestion comes under the terms of reference of the Combines Act.

* * *

FINANCE

CANADIAN POSITION AT INTERNATIONAL CONFERENCES ON COMBATING INFLATION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is to the Minister of Finance on the general subject of inflation and prices. In view of the magnanimous undertaking by his colleague, the Secretary of State for External Affairs, yesterday, that the minister is going to play some lead in some international meeting respecting trade, commerce and inflation, I wonder if the minister would be good enough to inform the House today what new initiative he or the government is taking to provide leadership at the international level respecting rising prices and inflation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will be directing the attention of other industrial nations of the world both in Washington when we meet at the Group of Twenty having to do with international monetary reform and as my colleague has suggested, within OECD as well, to pinpointing the central relations between inflation on a worldwide scale and the difficulty it is causing in the resolution of the international monetary problems.

Mr. Lawrence: Mr. Speaker, a supplementary. In view of the fact that Canada's inflation rate is higher than most others, would the minister tell us whether he is seeking information or giving it at this meeting?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman's preamble is not factually correct.

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EXTERNAL AFFAIRS

SUGGESTED VISIT BY PRIME MINISTER TO COUNTRIES OF THE EUROPEAN ECONOMIC COMMUNITY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, a question for the Prime Minister. In view of the urgent need, as very accurately expressed in the latest report of the Senate Foreign Relations Committee, that the Prime Minister should, in the very near future visit the countries of the European Economic Community as have all the leaders of the other leading trading nations of the world, has the Prime Minister already prepared a plan for such a series of visits next fall or does he intend to formulate such plans in the very near future?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am giving most earnest consideration to this suggestion of the Senate Committee, and I do hope I will have the support of all sides of this House if and when I make that trip.

Mr. Hees: A supplementary question. I should like to ask the Prime Minister if the reason that he has steadfast-

ly refused to make these visits in the past six years is the fact that these countries were not sufficiently exotic to prove to him that he should make these visits?

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

* * *

ADMINISTRATION OF JUSTICE

POSSIBLE CONNECTION BETWEEN COMMUNIST PARTY AND IRA—SUGGESTION REPUBLICAN CLUBS ARE FRONTS FOR IRA

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Solicitor General. In view of the minister's statement on Tuesday that John Murphy, arrested in Ireland, is a member of the communist party of Canada, will he now tell the House if he has any information to indicate that the communist party of Canada is giving assistance to the IRA and specifically, have the Royal Canadian Mounted Police been requested to investigate fully any connection between the communist party and the IRA?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I have no information at all that the communist party of Canada is assisting the IRA.

Mr. Cossitt: A supplementary question to the Solicitor General. Is the minister or is the RCMP investigating reports that so-called Republican clubs are acting as IRA fronts in certain cities of Canada?

Mr. Allmand: Mr. Speaker, I have no information on that right now but I will look into it.

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FINANCE

MORTGAGE INTEREST RATES—SUGGESTED CHANGE IN BANK OF CANADA POLICY TO REDUCE—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, a question for the Minister of Finance. On April 9, as recorded at page 3087 of *Hansard* the minister stated that where the monetary policy was in conflict with the fiscal policy, the Bank of Canada controls the monetary policy while the government controls the fiscal policy; in light of that fact and the fact that mortgage interest rates for CMHC loans are going up as high as 10 per cent and probably 12 per cent, does the minister now consider that it is time he discussed the matter with the Bank of Canada, because there is definitely a conflict, to bring about a change in policy?

● (1440)

Mr. Speaker: The hon. member for Fraser Valley West.

Mr. Woolliams: Mr. Speaker—

Mr. Speaker: Order, please.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there is no conflict. I see the Governor of the Bank of Canada regularly.

Mr. Woolliams: Is it now clearly established that the government policy is high interest rates and there will be no change, except for an increase in the interest rates of CMHC mortgages and conventional mortgages in Canada?

* * *

CONSUMER AFFAIRS

ALLEGED HIGH FEES OF DOCTORS AND LAWYERS—POSSIBLE GOVERNMENT ACTION TO ENSURE ACCESS TO THESE SERVICES AT REASONABLE COST

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. In view of the fact just revealed by Statistics Canada that in 1971 medical doctors' and lawyers' incomes were on average four to five times higher than the incomes of ordinary Canadians, will the minister responsible for the protection of Canadian consumers be good enough to inform the House whether his department is conducting any studies on the subject of doctors' and lawyers' fees charged to Canadians, and what steps he proposes to take to ensure that Canadian taxpayers seeking to maintain their health and to protect their legal rights have access to these services at reasonable costs?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the matter the hon. member has raised comes essentially within provincial jurisdiction.

* * *

HEALTH

ALLEGED HIGH COST OF MEDICAL SERVICES—CONTINUATION OF FEE FOR SERVICE CONCEPT FOR DOCTORS—GOVERNMENT ACTION

Mr. Mark Rose (Fraser Valley West): Given the almost predictable attitude of the Minister of Consumer and Corporate Affairs, may I direct a question to the Minister of National Health and Welfare. Since the federal tax dollar is being spent massively on medical education and on medicare, and in view of the concern expressed by federal government spokesmen about the soaring costs of health care in Canada, will the minister tell the House whether any serious studies are being conducted in his department to determine the extent, if any, the medical profession is abusing its privileged position in terms of ripping off the taxpayer of Canada and in terms of dispensing extravagant medical services to those few overly concerned about their health?

Mr. Speaker: Order, please. The hon. member is asking a question which I suggest ought normally be answered by way of a statement on motions.

Mr. Rose: Mr. Speaker, I rise on a point of order. I asked if any studies were currently being conducted by the Minister of National Health and Welfare on these two points, dispensing services and treatment of—

Mr. Speaker: Order, please. If that was the question, perhaps the minister might reply. The question was so long, I had forgotten the first part of it.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, there has been put before the provinces a new financing formula that will allow plenty of flexibility on health services to the population at reduced costs. I suggest the hon. member's friend in British Columbia could listen to his question about reducing the cost of health services.

Mr. Speaker: I will return to the hon. member for Fraser Valley West. The hon. member for Athabasca rises on a point or order. I will hear him on that.

Mr. Yewchuk: Mr. Speaker, I am sure the hon. member for Fraser Valley West did not intend to mislead the House with regard to the question of fees charged by doctors. I have a statement in my office which I am prepared to table. It indicates that a plumber charges $22 for a house call whereas a doctor charges $10.

Some hon. Members: Hear, hear!

Mr. Speaker: Perhaps the hon. member ought to have first declared his interest.

Mr. Rose: I might point out, Mr. Speaker—

Mr. Speaker: Order, please. Is the hon. member rising for the purpose of asking a supplementary? That was the reason he was recognized.

Mr. Rose: Mr. Speaker, I rose several times, but I did not feel I had the attention of the House. I might say to the hon. member for Athabasca there might be some very expert plumbers who could justify that kind of salary. I wish to ask the Minister of National Health and Welfare whether his proposals to the province of British Columbia and other provinces to reduce the cost and increase the health care of Canadians contemplates the continuation of dependence on the fee for service concept for rewarding the medical profession.

Mr. Lalonde: As I said in my previous answer, Mr. Speaker, there is nothing in the proposal that would prevent any province, including the province of British Columbia that my good friend knows, from adopting a system other than the fee for service system. The federal government would be pleased to continue sharing in the cost of those services.

* * *

[*Translation*]

CANADIAN NATIONAL RAILWAYS

QUEBEC—OBLIGATION OF EMPLOYEES IN PASSENGER SERVICE TO BE BILINGUAL

Mr. Eudore Allard (Rimouski): Mr. Speaker, I have a question for the Minister of Transport.

Can he tell the House if the employees of the Canadian National in the Quebec passenger service must be bilingual?

[Mr. Rose.]

Mr. Speaker: This question could be placed on the order paper. If it is urgent to establish whether the employees of the Canadian National should be bilingual, the question could be discussed at ten o'clock tonight.

* * *

[*English*]

NATIONAL CAPITAL COMMISSION

INQUIRY AS TO CHANGE IN POLICY ON LEASING RECREATIONAL LAND

Mr. Jean-Robert Gauthier (Ottawa East): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs. Has the National Capital Commission reported to him any change in their long standing policy with regard to leasing recreational land to the Ottawa-Hull municipalities? If so, when was the change made and will it adversely affect local municipalities?

Hon. Ron Basford (Minister of State for Urban Affairs): No, Mr. Speaker, it has not. I understand this question relates to press reports of yesterday with regard to a proposed arena. That is a matter for discussion between the NCC and myself and the NCC and the city of Ottawa.

* * *

● (1450)

[*Translation*]

UNEMPLOYMENT INSURANCE

MONTREAL—ALLEGED ABUSES BY INVESTIGATORS OF CERTAIN CLASSES OF CLAIMANTS—REPORT OF ADVISORY COMMITTEE

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

Could he tell the House if it is correct that investigators of the department, especially in southwest Montreal, abuse the recipients of unemployment insurance, and more particularly immigrants, aged persons, women and young people, and does the minister intend to remedy the situation more clearly and severely than last April 5?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not think the allegations are correct. However, to make sure there is no doubt about it, I will look into the specifics of the hon. member's representation. I might add that having read the press reports of the incident to which I think the hon. member is referring and which gave rise to this comment, from information I have, I do not believe these are factual representations from the people making demonstrations.

Mr. Speaker: Order, please.

[*Translation*]

I believe the hon. member for Saint-Hyacinthe has a supplementary question.

Mr. Wagner: Thank you, Mr. Speaker.

When does the minister expect to table the report of the advisory inquiry committee established last April.

[*English*]

Mr. Andras: Mr. Speaker, I presume the hon. member is referring to the report of the advisory committee of the Unemployment Insurance Commission, on benefit control operations. I have answered this question several times in the House. I am now awaiting the final report from that committee which has been delayed by a public meeting that I believe is being held in Toronto today, to be followed by a public meeting in Vancouver. The chairman of that advisory committee tells me that following the completion of those public hearings, it is his intention to submit a report as quickly as possible.

* * *

VETERANS AFFAIRS

POSSIBLE TRANSFER OF WESTMINSTER HOSPITAL TO OTHER JURISDICTION—GOVERNMENT POSITION

Mr. William C. Frank (Middlesex): Mr. Speaker, my question is for the Minister of Veterans Affairs. Have representations been received from concerned veterans associations in Ontario expressing concern about the handover of the Westminster Veterans Hospital in London and, if so, what stand is he taking?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, representations have been made to me by people concerned about the handover of the Westminster Veterans Hospital. If it is turned over, this will be done with great caution. Certain things will be guaranteed. Veterans will be looked after and given priority. The veterans employed there will keep their employment.

* * *

● (1450)

ENERGY

PROPOSED MACKENZIE VALLEY PIPELINE—REASON FOR FAILURE TO MAKE CANADIAN POSITION CLEAR TO UNITED STATES

Mr. Peter Bawden (Calgary South): Mr. Speaker, I have an additional question for the Minister of Energy, Mines and Resources on the subject of the pipeline from Alaska. Last April he said repeated attempts had been made to inform Washington of the government's position with regard to this oil pipeline. Can the minister say why he is finding so much difficulty in communicating with Washington and whether he anticipates he will now be able to make our position clear as it relates to an oil pipeline through Canada.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Well, Mr. Speaker, as I have stated, our position has been communicated both to the United States State Department and the Secretary of the Interior and, indeed, to members of both the Senate and of the House of Representatives when they were in Ottawa.

Mr. Oberle: On a point of order, Mr. Speaker. I had occasion to visit Washington in April of this year and I would hate to see the Secretary of State for External Affairs have the last word on this subject. He has said that the Senate and Congress of the United States were aware, and that the House was aware—

Mr. Speaker: Order. The hon. member knows, or ought to know, that this is not a point of order. If he can show me, by reference to the Standing Orders, how an intervention of that kind is a point of order I will be pleased to hear him further.

Mr. Oberle: Mr. Speaker, the point of order is that the Secretary of State for External Affairs has said that the position of the government was made clear to the House of Commons, to the people of Canada and to the Senate and Congress of the United States. That is very difficult for me to believe.

Mr. Speaker: The hon. member can believe or disbelieve what is said in the House by other hon. members but that has nothing to do with the Standing Orders of the House of Commons.

* * *

FOOD PRICES REVIEW BOARD

DATE OF COMPLETION OF STAFFING OF BOARD—INQUIRY AS TO FIRST REPORT

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the sharpening urgency of the food price situation, can the minister tell us whether staffing of the Food Prices Review Board has been completed. If not, why not? When does he expect this staffing exercise to be completed?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): I understand from reports I have obtained from the Board that the staffing activity is quite advanced but I do not have information today as to whether or not it is complete. I will endeavour to get further information and inform the hon. lady.

Mrs. MacInnis (Vancouver Kingsway): Bearing in mind the minister's recent promise that the first report of the Food Prices Review Board will be made by early fall, can he tell us whether this report will contain concrete recommendations to the government for dealing with the price of food, or whether it will be merely an outline of a grand strategy for the winter campaign?

* * *

CONSUMER AFFAIRS

INCREASE IN FOOD PRICES—SUGGESTED USE OF EXPORT CONTROLS TO CORRECT

Mr. Bill Clarke (Vancouver Quadra): A supplementary question to the Minister of Consumer and Corporate Affairs. In the light of the announced removal of controls by the United States government and the resulting sharp

increase in imports into the United States of foods at this time, is the government now prepared to use export controls on a temporary basis to avoid scarcities and an escalation of prices at consumer level?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): I am glad the hon. member has drawn the attention of the House to the failure of the kind of policy his party has been proposing for some months.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

SOCIAL SECURITY

FAMILY ALLOWANCES—INQUIRY RESPECTING MEANS EMPLOYED FOR PAYMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

Yesterday, as recorded on page 5751 of *Hansard*, in reply to a question on family allowances the minister replied: We are proposing that the act provide for an average of $20 per child, and this amount may be more or less, but that the minimum be $12. I would like to ask the minister to state clearly whether the cheques will be mailed directly from Ottawa to the families and what will be the amount received by each child, $12 or $15?

Mr. Speaker: The Chair will allow the hon. minister to answer briefly to the question of the hon. member for Témiscamingue but it would seem that those questions are related to a measure which will be eventually before the House. In any case, I would not want to be unfair to the hon. member for Témiscamingue and the minister might reply briefly to this question.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I can give the hon. member the assurance that family allowances cheques will still be issued by the federal government. As regards the second part of the question, the amount of the cheques may vary from one province to the other depending on the provincial legislation provided, first, that no child gets less than $12 and, second, that the average for all children in one province works out to $20 so that if a province should reduce the amount sent to one child this amount will be automatically increased for the other children in this province so that the average be $20 per child in the province.

Mr. Caouette (Témiscamingue): Mr. Speaker, I realize that we will discuss this question later on, but it is important for the information of the people.

Does the minister mean that the family allowances cheques for each province will be issued by Ottawa, after an agreement with the province?

Mr. Lalonde: Indeed, Mr. Speaker, as in the past all family allowances cheques will be issued by the federal government for each of the provinces.

[Mr. Clarke (Vancouver Quadra).]

[*English*]

ENERGY

PROPOSED MACKENZIE VALLEY GAS PIPELINE—INQUIRY AS TO UNITED STATES INTEREST

Mr. William Skoreyko (Edmonton East): Mr. Speaker, might I ask the Minister of Energy, Mines and Resources whether the government of the United States has inquired as to the interest of the Canadian government with regard to a joint Mackenzie Valley pipeline to carry Prudhoe Bay gas? Has the U.S. government requested any information as to the possible conditions governing such a pipeline?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Discussions have taken place with United States officials over the last several years regarding a gas pipeline route. There is an extensive record there. Indeed, there has been an exchange both of inquiries and responses in this regard.

* * *

LABOUR RELATIONS

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—ALLEGED DISCREPANCY IN SUBMISSION OF COMPANY—REQUEST THAT MINISTER OF TRANSPORT INTERVENE

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is to the Minister of Transport and it relates to the railway labour dispute currently in progress. In view of allegations made by the union that there were discrepancies in the submissions made by the railway company to the arbitration board, can the minister tell us whether he has asked his officials to look into this point and thereby remove this obstacle to a solution of this dispute?

Hon. Jean Marchand (Minister of Transport): These people enjoy autonomy as far as the conduct of negotiations is concerned. In the event of a dispute it is dealt with by the Minister of Labour, but I do not see why I should intervene and tell the company what they should or should not do.

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—REQUEST FOR INTERVENTION OF MINISTER OF LABOUR

Mr. James A. McGrath (St. John's East): A question to the Minister of Labour, Mr. Speaker, who I believe is within earshot, or, at least, he was a few moments ago.

Mr. Bell: The shot part is right.

Mr. McGrath: My supplementary is to the Minister of Labour. In view of this very serious allegation, and in view of the failure of the conciliation board to reach agreement, and, further, in view of the fact that as a consequence thereof both parties are irreconcilably separated, is the minister now prepared to exercise the responsibilities he has under the statute and intervene personally in an attempt to end this strike which could easily take place as of next Saturday?

Hon. John C. Munro (Minister of Labour): I am certainly prepared to exercise my responsibility. Whether

this means intervening at the present time or not is certainly debatable.

Mr. McGrath: Can the minister tell us whether he has now made mediators available to both sides in this dispute, or whether he is prepared to delegate someone, perhaps the hon. member for Verdun or even the hon. member for St. John's East, to represent him?

* * *

HEALTH

ALLEGED SHORTAGE OF MEDICAL SERVICES IN LOW INCOME AREAS—GOVERNMENT ACTION TO RECTIFY

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, the urgency of my question, which is directed to the Minister of National Health and Welfare, can be judged on the basis of a petition containing over 5,000 names which I have just received in my office concerning counties all over Canada, such as Brome County, which now find themselves without the services of a qualified family doctor. My question to the Minister of National Health and Welfare is simply this: Has he been informed that in low-income areas across Canada it is now easier to obtain the services of a veterinary surgeon to treat animals than it is to get a doctor to treat human beings? What action does the minister intend to take in this area?

• (1500)

Mr. Speaker: Order, please. The question asked in those terms is hardly in order, as the hon. member will recognize.

Mr. Grafftey: Mr. Speaker, then I ask the minister what action he intends to take, with the provinces, to make sure that in low-income areas there are more family doctors, more clinics and more medical assistance to rectify this chronic and serious situation.

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this is a question which has been the object of discussions with the provinces at every meeting of health ministers.

[*English*]

Mr. Grafftey: A supplementary question, Mr. Speaker. In view of the grave urgency of this situation, because right now people are being deprived of services which they should be getting—

Mr. Speaker: Order please. That is argumentation.

Mr. Grafftey: With respect, Mr. Speaker, it is not argument; it is fact.

Mr. Speaker: Order. The Chair recognizes the Leader of the Opposition.

Oral Questions

CANADA DEVELOPMENT CORPORATION

LOCATION OF HEADQUARTERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a question to the Prime Minister with regard to the heard office of Canada Development Corporation, about which there seems to be some difference of opinion within the corporation. Can the Prime Minister reassure the House that the headquarters of Canada Development Corporation will be in Vancouver both for purposes of policy determination and also in terms of operations? In other words, will the headquarters of Canada Development Corporation be in Vancouver, as the Prime Minister has assured the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the assurances I gave to the House are well known to the directors of Canada Development Corporation and, for greater certainty, our government representatives on the board of the corporation were told anew what our instructions were when I communicated to the House how the corporation was to be set up.

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CANADIAN NATIONAL RAILWAYS

SUGGESTED RECAPITALIZATION TO ENABLE COMPANY TO MEET PAYROLLS—GOVERNMENT POSITION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I wish to direct a question to the Minister of Finance arising out of his straightforward answer to my question of last Friday on recapitalization of the Canadian National Railways' system. The minister said that in his view, in the long-term interests of the country there should be recapitalization both of the CNR and of Air Canada. I ask the minister whether he and his officals are studying this matter and does he have any proposals to put before the government? Will he be presenting proposals to parliament later this year?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we have had this question under active review with the Department of Transport, but for the moment I prefer to see whether we can get the current financing bill through and tidy up the situation.

Mr. Benjamin: A supplementary question, Mr. Speaker. As we have already informed the government House leader that the bill could go through second reading in one day, if he calls it, I ask the Minister of Finance if he would consider urging the government House leader to refer the matter of CN financing to the Standing Committee on Transport and Communications this fall?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am sure the government House leader is aware of the importance of the bill, but I would not want at the moment to add to his immediate problems.

Oral Questions

THE CANADIAN ECONOMY

RISING FOOD PRICES—GOVERNMENT ACTION TO CONTAIN INFLATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is to the Minister of Finance. In light of the fact that, according to Bank of Canada figures, Canada ranked last among the major industrial nations in containing food prices for the 12 months ended last April, is the government giving the idea put forward by the Secretary of State for External Affairs at a global conference, serious consideration with a view to learning how other nations are better containing inflation with respect to food than Canada is, or is the government simply looking for a ploy to distract the attention of the public—

Mr. Speaker: Order, please. The hon. member for Simcoe North.

* * *

HEALTH

SUGGESTED GRANTS PROGRAM TO ESTABLISH GERIATRIC UNITS FOR RESEARCH PURPOSES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the increasing aging population in Canada and the consequent increasing burden of chronic illness—50 per cent of a physician's workload being with older patients today—adding to already skyrocketing costs, would the minister give consideration to special research grants or to the establishment of geriatric units where more scientific data could be applied not only to the care of such patients but also to the prevention of chronic disease?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, due to improving health services, it is obvious that there has been an increase in the longevity of Canadians, and geriatrics has become a more important aspect of medicine. I will certainly give careful consideration to the suggestion of the hon. member.

* * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR STATEMENT ON FUTURE STATUS

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, may I direct a question to the Secretary of State. Since the minister's reason for not making a statement on motions regarding OFY was that the decision as to its future had not been made, and since Cabinet decided on Tuesday not to combine OFY and LIP into a single program, can the minister now give an undertaking to make a full statement on motions tomorrow? Also, will he tell us, now, that in future the OFY program will be based on statute, rather than being run out of the back pocket of the minister?

Mr. Speaker: Order, please. The hon. member for Provencher. Is the hon. member rising on a point of order?

[Mr. Turner (Ottawa-Carleton).]

Mr. Clark (Rocky Mountain): I wish to ask a supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member's question was clearly out of order. He cannot ask a supplementary to a question asked in those terms. I think hon. members should know that when they ask questions along the lines of the question of the hon. member for Rocky Mountain, which clearly was out of order, they cannot take it for granted that, the point having been scored, they can then rise to ask a supplementary. I think that is an entirely wrong practice, and that is why I recognized the hon. member for Provencher. I see the hon. member rises on a point of order.

Mr. Clark (Rocky Mountain): Mr. Speaker, I wonder if you would advise me in what particular my question was out of order when I asked the minister if he would make a statement on motions.

Mr. Speaker: If the hon. member had asked only that question, it would have been in order. The hon. member for Provencher.

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BROADCASTING

REQUEST FOR RELEASE OF RIGHTS TO FM BROADCASTING UNIT KNOWN AS SNOW-GOOSE—GOVERNMENT POSITION

Mr. Jake Epp (Provencher): Mr. Speaker, my question is directed to the Minister of Communications. In view of the fact that the Department of Communications initiated research for a compact FM broadcasting unit for remote communities, a project commonly referred to as the Snow-Goose project, and as a company called Mico-Com Electronics, of Beauséjour, Manitoba, was successful in its application to build the new broadcasting units, would the Minister of Communications indicate whether the department will release the world marketing and manufacturing rights in order that production of the Snow-Goose project can be undertaken?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, I hope that the hon. member will allow me to take note of his question and give him an answer later.

[*English*]

Mr. Speaker: The Chair will recognize the hon. member for Hamilton-Wentworth and then call orders of the day.

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PENITENTIARIES

VILLE DE LAVAL TRAINING CENTRE—FAILURE OF EMPLOYEES TO RETURN TO WORK—ALLEGED MISLEADING ANSWERS GIVEN TO HOUSE SUBCOMMITTEE

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is for the Solicitor General. Can the hon. gentleman advise this House whether the failure to report to work of many training personnel at the federal

training centre at Ville de Laval is continuing today, and did officials of the Canadian penitentiary service instruct employees at that institute yesterday to give misleading answers to the subcommittee of this House investigating the penitentiary service and the reasons for this failure to return to work?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I do not have an up to date report on that matter, but I will be pleased to get a report for the hon. member.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: I rise on a point of order, Mr. Speaker. This might be one of my last opportunities to ask the President of the Privy Council, as the government House leader, what his plans are for the House for the balance of this week, and next week, as the case may be.

Mr. MacEachen: Mr. Speaker, we would continue today with the debate on the Electoral Boundaries Readjustment Act, followed by the immigration bill, followed by the amendments to the Criminal Code, and then the Olympic bill. I have changed the order of business slightly because it is my understanding that some members who might want to participate in debate on the Olympic bill will not be here tomorrow, including the Postmaster General whom I should like to see attending tomorrow a very important historical celebration in Nova Scotia.

Mr. Baldwin: On a further point of order, Mr. Speaker, as the government House leader said that we were to begin debate on what he called, I think, the amendment to the Criminal Code, is it intended to complete this bill before any other legislation is called?

Mr. MacEachen: Mr. Speaker, save and except the necessity of dealing with the Olympic bill at some point next week.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, with respect to the business of the House, I wonder if the government House leader has had time to think of the suggestion which was made yesterday, namely, that before we deal with anything else we might call order No. 12, the report stage and third reading of the bill regarding crop insurance.

● (1510)

Mr. MacEachen: Mr. Speaker, in reply to the hon. member I would say that if we could pass the bill without debate, I would call it as the first order of business today; but I have had no assurance that it would pass in those circumstances.

Mr. Speaker: The hon. member has a supplementary point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my question is, has the minister sought this assurance? He has it from this party.

Electoral Boundaries Readjustment Suspension

Mr. MacEachen: Mr. Speaker, I asked the hon. member to give me an assurance, and the other House leaders, and I will call this bill if they say there will be no debate.

Some hon. Members: Up, up.

Mr. Baldwin: Mr. Speaker, I rise simply to say there is a time and a place for everything, and it is not the floor of this House at this time.

GOVERNMENT ORDERS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT TO SUSPEND OPERATION OF ACT

The House resumed, from Wednesday, July 18, consideration of Bill C-208, to suspend the operation of the Electoral Boundaries Readjustment Act, as reported (without amendment) from the Standing Committee on Privileges and Elections; and the amendment thereto of Mr. Blenkarn (page 5758).

Mr. Speaker: The "time and place" now is to call on the hon. member for Carleton-Charlotte (Mr. McCain).

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, the difference of opinion varies, increases and multiplies, it seems, as we go through the procedures of this House. It multiplies a little more as we get further into the session. No debate in this House exemplifies more clearly the difference of opinion that can exist among members of the House than this bill which pertains to redistribution and the amendment in respect of time. The change proposed by the amending bill is not new to Canada; it is something which has been necessary before, and unquestionably it will be necessary again.

When Canada was initially developed on the basis of negotiation, there were differences among those parts of Canada now known as provinces when the Dominion of Canada was formed. Negotiations were held and a decision arrived at which was considered at that time to be a fair, contractual agreement in respect of seats. I have listened with interest to those who have said it is not fair to Canada that there should be a minimum number of seats for some provinces. It seems to me it would be better to have a minimum number of seats for more provinces in Canada, so they might at least be geographically more competently and effectively represented.

While it may be a very interesting theory, I am sure in some areas of Canada if one were to say, "Let us alter the fact that there is a minimum number of seats in certain provinces," it would create a hubbub and furor in the general nation of Canada which would not be in line with what we want: furthermore, when the suggestion is made I think we are asking the House of Commons to negate or to fail to honour the contractual agreement by which Canada was formed. That contractual agreement did not relate only to seats in parliament; it did on one occasion relate to the necessity of constructing a railroad: so to me and to

many other people it would be a logical move of the Canadian people to say, "Let us take up the rails of the railway which was part of the deal by which one province became part of Canada while at the same time we made the deal in respect of the minimum number of seats for other areas of Canada." This was a contractual agreement entered into by a responsible government.

Having said that, I think it is only fair to add that just because there are a minimum number of seats in certain provinces does not mean there should not be a minimum number in other provinces. I submit there should be, and that part of the redistribution program outlined in this bill should assure a minimum number of seats for certain areas of Canada which find themselves losing representation on our strictly representation by population structure.

I am not one of those who would in any way wish to say that we should not have representation by population in Canada. However, I am one of those who say that when the question is presented clearly and fairly to Canadian citizens, I do not believe anyone in Canada today would fail to recognize that when you try throughout this nation to arrive at a one vote, one person proposition, no matter how one is represented it must be vote for vote, person for person. The people of the cities should be given to understand—I am sure they do not comprehend the complications of rural representation in respect of distance—some of the pleas made in this House based on the so-called "rep by pop" argument. They should consider the fact that a member of this House stated that in perhaps five minutes he could walk across his constituency, and in 15 or 20 minutes could walk its length.

Let us consider the vast areas of the rural country and consider the amount of time a rural representative spends in travelling from one part of his constituency to another. We must consider the consumption of that amount of time in relation to the opportunity of a member to see his constituents, or for his constituents to see him. There are also more factors to be considered than just a one person, one vote basis for the distribution of seats in Canada.

If at any time in Canada's future it must be one vote, one person then it will become absolutely necessary that special consideration be given to constituents and their representation in rural areas, so they can in effect be represented by people whom they know and can be given an opportunity to see these people. I submit some members of this House probably spend more time in the process of transportation from one part of their constituency to another than some city members spend representing their people. I am not casting any reflection on any member of this House when I make that statement.

Again, as I did when I spoke in respect of the New Brunswick distribution, I want to make it very clear that no member of this House has a finer group of people, and no member derives more pleasure out of representing his constituents than I do. I do not object to any part of the constituency as it originally existed and in which I was elected. However, I object with the greatest vehemence at my command to what has been done to New Brunswick in a general way, because this redistribution has completely disregarded the social, geographic, ethnic, economic and political practicalities which should prevail in a program of constituency redistribution.

[Mr. McCain.]

I cite for you, Mr. Speaker, the fact that the filing by members of this House of the objection to the map when it was laid on the table was a non-political presentation, signed by members of the government party and the Conservative opposition, in an effort to obtain a better deal for our people. One great weakness of the present act is the fact that the commission is in no way obligated to listen to people. It has been given the opportunity to hold a hearing at a time and place of its convenience, to hear presentations written out in advance without necessarily any opportunity for rebuttal or discussion. This has limited the possibility of the presentation of the voters' ideas to a degree that most people in New Brunswick threw up their hands rather than attempt to make a presentation.

● (1520)

This is not a reflection on the members of the commission but, rather, on the regulations by which they are bound. Any act relating to the redistribution of seats should also give an opportunity to the people of the area to present their points of view in respect of redistribution. At the same time, it should obligate the commissioners to pay attention to them. The representations made in New Brunswick both by myself and the hon. member for Madawaska-Victoria (Mr. Corbin), as well as by the president of the Liberal Association, were almost ignored, although not totally. Therefore, the people find themselves in the position in which the commission decreed they should be initially.

This is not a local problem and I do not speak as a prejudiced individual from a particular constituency. The arguments which have been presented in the House have been publicized in one area as an intention by the members to protect themselves. I deny that. It is a misunderstanding of a political situation by somebody who does not have knowledge or expertise in the field of politics. It concerns me to see individuals make comments in respect of this subject when they have not at the same time, in the organization of their media operation, asked a member of the staff to live in that particular section of our society, investigate that facet of society from personal knowledge and then report on it. At no time has any individual, other than my own constituents, made a knowledgeable presentation to me, nor have I been asked why this redistribution should happen.

I do not know how many other members of the House have had the same experience with the media. I respect the media totally and recognize that they have a job to do. On occasion a mistake can be made by them, as well as by a politician. I submit that when you have an illness, you go to a doctor; when you have a political problem, you go to your member of parliament, legislator or city councillor. These are fields of expertise as completely separated from other fields as any, including the legal profession.

Members of the House have a knowledge of the problem, and if the act has a weakness its great weakness is lack of recognition of the political nature of a democratic country. It was intended, of course, to avoid gerrymandering, the lumping together of populations for political purposes by the government of the day. I think it may have avoided that to some degree, yet as I listen to reports from various areas of Canada I find that gerrymandering still exists. In its objective to eliminate gerrymandering, the act has

perhaps succeeded in some instances—but it must have political guidance, in the scientific sense of the word, to recognize the necessity of political representation.

What is equality in terms of representation? Is it an opportunity to see your member of parliament in a city or riding five minutes walk away from you? Does this compare with the necessity of a 200-mile drive? What is equality? Is it an opportunity to walk into the unemployment insurance office a few blocks away from home, or is it when you find that your constituents and yourself live more than 200 miles away from the nearest branch of the unemployment insurance office?

What is equality? Is it the lack of a Manpower training centre, a Manpower office within 100 miles of your home, versus the opportunity just around the corner or at most a few blocks away? We have heard a great plea for equality of representation. I submit that this plea is without knowledge of what is equal representation. I am sure some members from rural ridings have not been in all the communities of their constituency since the last election, and will have no opportunity to get to them before the next election. I submit that this is not equality when compared with the opportunity of the member representing a city community who is a matter of blocks away from his entire constituent body.

What is equality? The legislation may have brought about what is considered to be an inequity on a temporary basis. But that, of course, is what confederation is; it is what democracy is. It must be the aim of this House to seek out, and to try to find in whatever time may be necessary—either the time of limitation as imposed by this amendment, the time proposed by the bill, or whatever period of time it takes legislators to come up with a fair formula in the form of legislation—the most equitable representation that rural and urban Canada can possibly obtain.

That is equality, and that must be the objective of the House. It must be my responsibility to compromise, perhaps, some of my rural attitude. At the same time, it must be the responsibility of the city-oriented member of the House to compromise part of his city attitude and recognize that the inequities of this redistribution do not all lie in the city, do not all lie in British Columbia and do not all lie in New Brunswick: they lie all over Canada in a rather equitably distributed fashion, with complaints coming from coast to coast. From Newfoundland it is one complaint, and from British Columbia it is another. When legislation generates a situation which brings about complaints on a coast to coast basis in this country, it is high time we took the time to amend the act and to bring about a situation in which there may be some political reality, in the scientific sense of the word, for the government of Canada and the election of the members of the House of Commons.

Mr. Speaker: Order, please. I apologize to the hon. member for York East (Mr. Arrol) who is the next hon. member to have the floor. I believe the hon. member for Madawaska-Victoria (Mr. Corbin) is seeking the permission of the House to ask a question of the hon. member for Carleton-Charlotte (Mr. McCain), if he wishes to accept the question.

Mr. Corbin: Mr. Speaker, I should like to ask my colleague, the hon. member for Carleton-Charlotte (Mr. McCain)—I must say, first, that I support entirely many of the things he said in his speech—whether he supports the amendment of the hon. member for Peel South (Mr. Blenkarn). This did not come through in his remarks.

Mr. McCain: That is a good and fair question. I did not state my position in that respect. I said that regardless of the time required for an equitable settlement of the dispute from coast to coast—and the time is important—the equality of distribution and proper selection is more important.

Mr. Ian Arrol (York East): Mr. Speaker, I am in favour of the amendment proposed by the hon. member for Peel South (Mr. Blenkarn) that the electoral boundaries readjustment suspension be extended only to July 1, 1974, rather than, as proposed in Bill C-208, to January 1, 1975. I should like to remind the House of a rather profound statement of recent times, namely, Parkinson's law. Mr. Parkinson states that work expands so as to fill the time available for its completion.

● (1530)

There should be no delay beyond that which is absolutely necessary to bring boundary readjustments into effect. We must act as soon as possible to bring justice to those citizens of Canada now denied the full value of their vote. I refer, for example, to those from Newfoundland who are now residents of Toronto or Vancouver. I refer to those from the Maritimes, from Quebec, from the Prairies and from northern Ontario who are now residents of urban centers. Because they exercised their choice to move where they would in Canada, are they to be denied a full vote? Are they less a Canadian, less entitled to have adequate representation? An independent commission has said yes, they should be entitled to a full vote. Parliament seems to be saying, in a majority, by its delaying tactics, no.

It would appear that parliament, by ignoring the needs of the cities, is ignoring the needs of 80 per cent of the population. A number of members from rural areas have indicated that the needs of those in the rural areas are more in want of attention than the needs of those in the cities. As a general comment, Mr. Speaker, I would say that the prosperity of all areas in Canada is directly proportional to the prosperity of the urban areas. Unless the cities of Canada, the industrial centres, perform their role of activating the economy through utilizing their resources, we are all poor.

More specifically, in reference to the individual it is unthinking, if not cruel, to state that the city dweller does not need as much service from his member of parliament as the rural dweller. The city dweller, for the most part, is somebody who recently lived in the country. He has left his roots; he has left his family; he has left his relatives. He is alone in the midst of an uncaring throng, be he from Europe, Asia, the West Indies or the Maritimes. There has been talk about, and attention paid to alienation of Quebec and alienation of the west. By our action let us not incite alienation of the cities. We ignore the cities at our peril.

Look at the United States today where, without adequate city representation, they have not had adequate solutions.

There is, I believe, an element of self-interest versus national interest in some of the arguments presented to this House. We would do better, both urban and rural members, to think less of maintaining our present positions as individual members of parliament and to think more in terms of the best interests of Canada. I am well aware that the political life of urban members of parliament such as myself is, generally speaking, short. I believe our time is better spent in doing the best for Canada in what may be the one chance that we get, rather than thinking in terms of the next election.

It has been said that the name of the game of politics is to be elected. But if it is only to be a game it will not be a rewarding kind of life. So what, if our constituency and our political life be wiped out by boundary readjustments? These are relatively unimportant. If our lives are motivated only by political expediency, we will never have any profound satisfaction.

But we do have an opportunity now to follow through with the work of the boundary readjustment commissions, to give Canada more equitable representation and to help solve, with an increased number of members, some of the problems of the cities. So again, speaking on behalf of the amendment proposed by the hon. member for Peel South, I plead that we get on with the work of enacting the new boundaries.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, we are now considering Bill C-208, An Act to suspend the operation of the Electoral Boundaries Readjustment Act, and the amendment moved by the hon. member for Peel South (Mr. Blankarn), and I quote:

> . . . by deleting the words "1st day of January, 1975" where they appear on lines 4, 8 and 9 at page 2 and by substituting therefor the words "1st day of July 1974".

Mr. Speaker, I am wondering exactly why such an amendment is moved; it is only a matter of six months more or less to reestablish fairly the electoral boundaries. Moreover, this matter has already been discussed just four or five years ago. The proposed readjustments of 1965 have been implemented in 1968, at the time of the election, and now we are considering whether this readjustment will take place on July 1, 1974 or January 1, 1975. If we are going to waste the time of the House, this is a good way to do so because it will change absolutely nothing and if we are given six additional months, it is clear that we will perhaps be able to study still more seriously the question of electoral boundaries.

● (1540)

Now, we all know that there will be no change for some provinces. For example, Prince Edward Island has four members and will continue to have the same representation regardless of the population. The constitution wants it that way.

In New Brunswick, the number of people is immaterial since they must have at least ten members whereas the other provinces have to play the game of alterations.

Quebec has lost some members since the last census and it will loose two other members occording to the report of the commission.

Saskatchewan had a rather impressive number of members some years ago, but it will probably see its representation reduced to 11 or 12 members, whereas Alberta will keep its representation and British Columbia will add a few. Manitoba will not increase its representation very much. Ontario will probably have four additional seats.

Mr. Speaker, I notice that we stress the population of ridings almost exclusively and that virtually no comparison is made between rural and urban areas, as underlined in the suggestions included in the bill on new boundaries.

In my area, we now have three ridings: Abitibi, Villeneuve and Témiscamingue. According to the new bill, one riding will vanish—Villeneuve—and be added to the riding of Abitibi which will stretch as far as Ungava, the James Bay, the Hudson Bay and the Duparquet-Senneterre line. It will be an oversized riding, 800 miles long, reaching all the way to Ungava. By eliminating the constituency of Villeneuve, I am given back the municipalities I represented before 1965: Val-D'Or, Malartic, Louvicourt.

At present, the length of my constituency is 150 miles. According to the new boundaries, it will be 250 miles and nobody wants to understand that the time I spend covering these 250 miles, the member from Montreal can stay in his office receiving hundreds of electors of his constituency. In Montreal or Toronto, a square of houses makes a constituency while in northern Ontario constituencies, in Hearst, Kapuskasing or Cochrane, the member must spend his time travelling in his car to meet electors every two three miles. They just don't understand that in Toronto.

Mr. Speaker, this is why time must be taken to study a suitable readjustment of the boundaries of electoral constituencies. The population factor is certainly important, but the geographical factor should also be taken into account, yet it is completely disregarded.

For example, Prince Edward Island with a population of 111,041 is represented by four members. What does that mean? If there is one member for 27,000 citizens, how many voters are there: 11,000, 12,000 or 13,000?

The province of New Brunswick has a population of 634,557 with 10 members, which gives 63,455 citizens per member.

In Quebec, where there is a population of 6,027,764 and 74 members, they want to eliminate two members. The number of people for each member will be increased, although there are already 79,865 citizens in each federal riding.

Mr. Speaker, I have more people in my riding than there are in the whole of a Prince Edward Island riding. By virtue of the British North America Act, Prince Edward Island is entitled to four members. The number of voters is irrelevant; what matters is the number of members of Parliament. As a matter of fact, there are four. The same goes for New Brunswick.

Mr. Speaker, if we are to be illogical we might as well be all the way. That is why people everywhere find the matter of representations funny.

I for one am opposed to increasing the number of members for the city of Montreal where there are already too many. I see the hon. Postmaster General (Mr. Ouellet) in his seat and he too knows very well that there are too many members. Some members are very active and one member in Montreal can work ten times more than a member of a rural riding because he does not have to travel. He has his office in town. The hon. member for Saint-Denis (Mr. Prud'homme) nods in approval. That is true. One can represent 150,000 constituents in the city of Montreal, but not in a rural riding.

If we compare federal and provincial ridings, we can see that there are four provincial constituencies in our region, while there are only two federal ridings.

Mr. Prud'homme: They have secretaries.

Mr. Caouette (Témiscamingue): As the hon. member for Saint-Denis just said, all provincial members have secretaries who are paid by the government.

Mr. Prud'homme: They also have offices.

Mr. Caouette (Témiscamingue): They have offices, expense accounts, everything to serve their constituents. In Ottawa, on the contrary, they want to play politics with that. Every member of Parliament needs some services in his riding, but nobody dares stand up and ask for them. They are real hypocrites!

Mr. Prud'homme: They sit four days a week, four months a year!

Mr. Caouette (Témiscamingue): Mr. Speaker, much could be said about it. I think the hon. member for Saint-Denis is getting to like Social Credit.

An hon. Member: That makes sense.

Mr. Caouette (Témiscamingue): Mr. Speaker, this afternoon at least he has some common sense.

I am told that the National Assembly in Quebec sits four days a week and at the most four to five months a year. There is a difference with what is being done here. One should note, by the way, that the parliamentary allowance for the members in Quebec is superior to that of federal members of Parliament.

An hon. Member: Disgusting!

Mr. Caouette (Témiscamingue): I hope this will appear in the official report.

Mr. Speaker, I think that the process of readjusting federal electoral boundaries should take into account the needs of rural citizens so that they may get the best possible services. I see that my friends from the New Democratic Party are applauding, and with reason. When I visit in Saskatchewan the riding of Rosetown-Biggar in the north of the province, around Saskatoon, or in the south in Ponteix or Regina or in Gravelbourg, I realize that hon. members there have huge ridings which they must crisscross, while in the cities, all the constituents are practically on the spot. One meets his constituents on street corners, as I was saying a little earlier. In large cities like Vancouver, a member has to walk only three blocks to meet all the people of his riding.

I therefore believe that we should take our time, study the situation in depth and refrain from moving hasty amendments which mean nothing. Instead of seeing the act come into effect or having us continue discussing it on January 1, 1975, we should discuss it before July 1, 1974. It seems to me that if there is an idiotic argument, that is one. This proposal makes no sense. We are not in such a hurry. These are the same people who say: Let's end the session and go on holidays. But when it is time to go, they move amendments like that. This afternoon has been wasted, completely wasted. We could have undertaken the study of those bills which have to be passed before we adjourn for the summer. For example, the Olympic Games bill for Montreal. Why did we not start on it this afternoon? Because once again there is—

An hon. Member: There is blackmail!

Mr. Caouette (Témiscamingue): Yes, there is a bit of blackmail in that. In fact, we are told that that legislation must pass before recess. But there is something else too. We are warned that there will be no adjournment now if we refuse to promise to restrict the debate on capital punishment in the fall.

Mr. Speaker, in the fall the debate on capital punishment will perhaps last three days and maybe even twelve or fifteen days. It is up to hon. members. We have neither to compromise nor to get involved in that connection. They should drop it now if they intend to reintroduce it in the fall. If they do not want to discuss it immediately, as I would hope, let us wait till the fall. But between now and then, let us finish the business before the House.

There is no need to discuss the electoral boundaries all afternoon, as well as tomorrow and Monday. If Progressive Conservative members were bright enough to withdraw their amendment and say: "Well, we could discuss this when we return next fall", we should not have to determine whether we shall examine again this bill before January 1, 1975 or July 1, 1974.

Personally, I am fully against this amendment. Instead, let us take the time necessary to review the situation so as to increase especially the urban representation throughout Canada. Moreover, let us make sure that the number of constituencies will not drop more in Quebec than in Prince Edward Island or New Brunswick. And if we must increase the representation in some areas, let us not abolish existing constituencies in others.

This is my suggestion. Let us maintain present boundaries and create new constituencies, because some of them are already too large. For instance, it should be proper for Saskatchewan to send three more hon. members to the House of Commons. This would relieve and help the population of Saskatchewan.

But if more members of Parliament are needed in Ontario, let us add them. If ten members are needed, let us give ten to Ontario, but to do so, we do not have to take some from Quebec, from Saskatchewan, from Alberta, from Manitoba or from New Brunswick.

An hon. Member: That is true.

Mr. Caouette (Témiscamingue): It certainly is. Now it is said that the number of federal members must be limited to 264. Mr. Speaker, not long ago in Quebec there were 92 provincial members; I think that they now number 114 or 118. They did not hesitate to establish new ridings. In Ottawa we will offer fewer services to our constituents on the pretext that the figure 264 is sacred. Nothing is that sacred. Let us put a new figure in its place through a new law which will allow us to increase the number of ridings in the provinces where it is needed without any decrease elsewhere in Canada.

In studying this bill, we should take our time this afternoon, but we should not discourse endlessly on that matter: we should state clearly our positions and accept to study that matter anew before the January 1, 1975. That will do no harm either to the Progressive Conservatives, the Créditistes, the New Democrats or the Liberals; but that will allow us to go on to something else in order to enjoy holidays like everybody else.

● (1550)

[*English*]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened with great interest to the hon. member for Témiscamingue (Mr. Caouette) who spoke with such eloquence. He asked that the upholding of the principle of redistribution await the 18-month period. He typifies the position of the rural member of parliament who has the obvious difficulty of travelling great distances. Before coming to this House I followed the career of the hon. member for Témiscamingue in the newspapers. I read about his sleeping in the back of his Chrysler and doing a number of other things because of the large area he has to cover. I understand he has some connection with the Chrysler product.

I listened to the speech of the hon. member for York East (Mr. Arrol) and the speech of the mover of the amendment. They represent another extreme in Canada, the extreme of the congested area. I have some experience in both these settings in my constituency. People in both rural and urban areas have their peculiar problems of communication with their member of parliament no matter on what side of the House he may sit. I think the point is well taken. I experience the difficulties of a rural area in one part of my constituency. In the northern part of my constituency I have the problems of an area that is congested and becoming more congested. The communication problem is growing.

Generally speaking, I support the first principle, that of representation by population. If there is to be a delay, I would support as another first principle that the House get on with the matter of redistribution by the time suggested in the amendment. I have not been in this House very long, but long enough to know that in the period suggested by the hon. member for Peel South (Mr. Blenkarn) this House will not be able to deal with the many problems that face both rural and urban areas. I would like to have it otherwise. I would like to be able to say with sureness that all these questions can be answered within the short period of time suggested by the hon. member for Peel South. However, I do not believe that is possible because of the workload of members of parliament in their constituencies, in the House of Commons and in our committees. I think it would be improper, from the point of view of the input there must be in connection with this consideration. This would not be possible if we limited ourselves to 11 or 12 months. We may be doing an injustice to the fundamental problem of this House and this parliament, namely, its representation, if we so limit the period for full consideration of this question. I do not believe any member of this House, or any person in Canada would want something so fundamental to be compressed into a short period of 11 months.

I again read the speech of the hon. member for Peel South in which he set forth the problems. He referred to the Alberta problem and the New Brunswick problem. In dealing with the new New Brunswick problem he mentioned the sociological factor. Without being disrespectful to the representation commission, which at least did a good job of dividing my province in terms of the number of people involved, there has been overlooked—even in the province of Ontario—the sociological and traditional aspects.

The sociological factors which the hon. member for Peel South related to New Brunswick relate as well to Ontario and other parts of Canada. They are great problems and cannot be solved by members of parliament talking among themselves. They cannot be solved in party caucuses or in this House. They require input from community groups across the country, from people interested in appearing before a committee of this House to discuss these problems. Problems in the rural areas, such as dwindling incomes, high costs, and weather put pressure on a member of parliament. These people also feel alienated. As the hon. member for York East said, there is alienation in Canada. That alienation is not confined to the cities but exists in the rural areas as well.

The hon. member for Témiscamingue referred to sociological and geographical effects being considered. We would be doing a disservice to this country if we considered them in what for all practical purposes is a very compressed period. I am not suggesting there ought not to be legitimate political input into redistribution; there is nothing wrong with that. However, the input into redistribution ought to go beyond representations before a commission. Representations from the public ought to be made to a committee of this House. Members of parliament who are not members of that committee may also want to attend.

There should be no time limit placed on the work of the committee which would result in a half measure. We must give this very important aspect of the representative life of this country the most complete and most reasoned consideration. As much as I would like to see it done in the relatively short period of 11 months because of the first principles I mentioned earlier, I do not believe it can be done within that time. I believe we would be doing this House and the people of this country a disservice. We would be denying them the right to come before members of this House, assembled in committee, to present their arguments on the sociological, geographical and democratic aspects of redistribution. It is with some reluctance that I say what I do with regard to this bill, because I understand the feelings of my colleague for Peel South.

• (1600)

The hon. member for Témiscamingue said there were ridings in the cities which were merely agglomerations of apartment blocks, and so on. That is true. In other areas, ridings are measured in collections of townships, collections of small cities and towns. The problems which arise are different. We ought, in this period of 18 months, to consider not just the factors which go toward providing for representation for groups of people; we ought to consider during that time the ways in which a member of parliament can best serve the public, the kind of assistance with which he should be provided, whether different standards should apply in different parts of the country, what special assistance should be given to members from the far north with respect to transportation, and so on.

In the past, these things have been considered on an ad hoc basis when they have been considered at all. We now have an opportunity, I suggest, to deal in depth with the sociological and other factors which go to making a member of parliament functionally representative of his constituents in terms of the particular problems of his riding. For these reasons, I fear I must differ from my hon. friend from Peel South whom I hold in great respect. I find myself caught in this debate between the hammer and the anvil, between the large urban areas and the rural areas. I should like all these considerations to be studied. It is important that the House should not attempt to compress into too short a period the type of consideration which the electoral process deserves.

Mr. Speaker: The hon. member for Fraser Valley East (Mr. Patterson).

An hon. Member: Filibuster.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, the observation from across the way was totally unnecessary. He suggested this was a filibuster. I do not know whether he was referring to me. I may express my views a little more often than the hon. member does—I have not heard him say anything yet—but I believe we have a responsibility to represent those who have sent us here, and despite the fact that the hon. gentleman objects I intend to assume that responsibility this afternoon.

As every hon. member is aware, the question of redistribution is of vital concern not only to those who sit in this chamber but also to the people of Canada. It is very gratifying to be elected to sit here in the House of Commons, but it is even more gratifying to feel one is provided with the means of adequately fulfilling the responsibility which has been imposed. It seems to me that every possible facility should be available to members to assist them in fulfilling their tasks. The task which has been entrusted to us is an extremely onerous one, though I realize that this opinion is not shared by everyone. I remember that shortly after I was first elected in 1953, I received an anonymous letter from a lady suggesting it was too bad I had left the profession in which I had been engaged, in order to become a member of parliament because, she said, members of parliament just sat around and did nothing. I assure hon. members I was not here very long before I realized just how wrong that lady was.

There are two aspects of our task here. The first is to pursue and conscientiously discharge the duties which are ours in the House of Commons. The second is to maintain liaison with our constituents so that we may be aware of their views and their aspirations and represent them in parliament. In recent years, at least, we are finding that the demands of the House are making it increasingly difficult for us to maintain this necessary contact. A proliferation of problems is currently being brought to the attention of parliament. There are issues which were formerly matters of provincial concern only but which have now moved into the realm of shared responsibility. New approaches have to be developed in response to changes in a highly organized society, and all these demands have added to the workload of members.

Here we are, at this late date, still in Ottawa at a time when common sense and necessity insist we should be meeting with our people and sharing in their activities. We are a part of community life. I am aware that an expression of opinion such as this leaves one open to a charge of longing to get away to spend a leisurely summer. However, those who take this attitude are not only out of touch with reality but are unaware of the responsibilities of a member and the wishes of those who work hard planning community projects and who appreciate a member showing an interest by his presence and support at those functions.

I believe the failure of the government to properly organize the business of the House and concentrate on priority items has resulted in the situation we face today. Perhaps this answers the question raised by my hon. friend from York-Simcoe (Mr. Stevens) when he asked why this question of redistribution had not been dealt with earlier.

As I have indicated, the second aspect of our responsibility is to maintain close liaison with those we represent. The question has been raised whether a member should simply speak for himself, form his own conclusions, reach decisions without regard to the views of his constituents and then leave his fate in the hands of the electors at the next election. If this were true, the necessity for knowing what our people are thinking would not be so great. I believe these two positions should not be mutually exclusive, but should blend together. A member's own decisions, views and conclusions should blend with the views and wishes of his constituents. At least there should be a proper balance and blending of the two in order that the important issues we face may be taken care of more adequately.

• (1610)

The members of this House have become the ombudsmen of the people and, despite all our representations, the federal government has not seen fit to introduce a measure or to support one that would provide an ombudsman. We know that such persons have been appointed in several provincial jurisdictions. I was interested to learn that the Solicitor General (Mr. Allmand) recommended the appointment of an ombudsman for those who are incarcerated. Significantly, those who run afoul of the law and must pay the penalty for breaking the law are to be given the services of an ombudsman, but law-abiding citizens who run into problems are not entitled to the services of

one. I do not understand that rationale. One has now been appointed, as I have said, to take care of this field. Consideration should be given to appointing one for all Canadians.

Redistribution must be effected in such a way that the needs of all parts of the country are fully recognized. Adequate representation for our areas of major population density must be assured, and the legitimate needs of rural Canadians for a voice in the councils of the nation must be heeded. As well, there are the claims of the community which must be acknowledged by a dedicated effort on the part of the member, who must assist the community to gain that which is of legitimate concern to it. He should obtain assistance from the national government. We must consider, as well, the needs of the various regions of this vast country. Some regions, although similar in some ways to others, are in other ways dissimilar and require attention.

We must take into account provincial needs that call for attention. In this respect, some provinces are far from adequately represented at present. We must recognize, and this concerns me, that passage of this measure will for a time perpetuate this inequity for perhaps five years. Of course, I am referring to my province of British Columbia. We appreciate the tremendous growth of the province. People are moving there from all parts of the country and, considering our salubrious climate and the beauties of nature in the province, one need not question why people go there. We like them to come. British Columbia is experiencing a tremendous population growth. Under the redistribution proposals we would gain three seats. We must remember that.

I have always maintained, as others have I am sure, that British Columbia is seriously underrepresented in the upper House of parliament. If one analyses representation in this country, one will see that some centres of low population are represented by many more senators than come from my part of the country. That is why I suggest that we are seriously underrepresented in the upper House of parliament, and it will be a disservice to British Columbia if we continue to be underrepresented in the House of Commons. That is why I think the amendment before the House will assist, at least to some degree, in meeting the situation as the time element is being somewhat reduced. On the other hand, I still feel that it would be of advantage to the province I represent if the original redistribution plan were to come into effect.

I realize that urban Canada faces problems, rural Canada faces problems and the provinces face problems, as do the various regions. Although we oppose changes which militate against the interests of any one segment or area, we say that we must guard against unnecessarily maintaining a situation which perpetrates injustices against other parts of this country.

The question has been asked, why has this delay been proposed? Why is the operation of the Electoral Boundaries Readjustment Act, as reported from the Standing Committee on Privileges and Elections, to be suspended until the end of 1974? Last evening the Parliamentary Secretary to the President of the Privy Council (Mr. Reid) commented upon the reasons for this suspension being introduced. If his pessimism is justified, we will wait an eternity until

changes are made. He suggested, in speaking of the problems that are inherent in this matter, that even if this bill were passed there would hardly be enough time to make the required changes.

What puzzles me is this: the government, apparently, has realized for a long time that injustices are being perpetrated in certain parts of Canada. The parliamentary secretary suggested that what was done in 1964 was not a final step, but one step forward in evolving a satisfactory answer to the whole problem. Since then apparently nothing has been done. Action has not been taken, plans have not been drafted and suggestions have not been announced by the government for bringing before parliament changes that would ensure that all parts of this country are properly represented in the House of Commons.

Now that the provinces which would suffer if there is a delay might be given some relief, this issue is being raised. We are told that we should not proceed until we have had a long time to discuss the matter and come up with answers. We are told that it will take time to bring forward solutions and to bring before parliament something that might be satisfactory. It seems that even if there were to be such lengthy consideration, any suggestion brought forward still would not satisfactorily meet the needs of the country. So I ask, why is there this long delay? We should get down to business and consider changes that would meet the needs of provinces which have gained tremendously in population without jeopardizing the rights of the less densely populated areas.

● (1620)

The changes in representation are necessary and desirable. I maintain they should be effected at the earliest possible time consistent with the need to ensure that they result in justice for all Canadians. I believe the amendment introduced by my colleague from Peel South is very worthy. If the government has been considering, looking at and working out the problems behind closed doors, surely it has something in mind to bring before this House. If we were to give the government a period of one year, I think this would be more than adequate. In the meantime, however, I object to the fact that my province of British Columbia will be denied proper representation until some time in the future when, hopefully, those needs will be taken care of. I believe this should be assured and provided for at the present time.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, both yesterday and today I listened to the debate on Bill C-208 and the amendment. I recall the comment made by my hon. friend from Peel South (Mr. Blenkarn) in respect of the time being shortened to 12 months. As a new member of parliament, I am wondering what gave him the idea that parliament could move that fast based on past performance. I would certainly think the 18 months' period would be required.

As some members may know, I am of a very shy and retiring nature. I do not speak very often. I represent a rural area. Rural members sometimes speak parochially, and I suppose city members speak on the same basis. We must all look at this situation in terms of the country as a whole and even those of us from rural areas, probably in

the context of a favoured son or daughter ideal, must give consideration to our colleagues from the great urban ridings and agree that probably they are entitled to more representation based on their population. I do not think we should go back to the old days that were mentioned, when "rep by pop" was the slogan. In those days a great part of Canada was populated on a much more even basis, in respect of rural and urban areas, than it is today. In those earlier days, and until recent years, Canadians were classed as drawers of water and hewers of wood. A great part of our population derived its living in rural areas.

Through listening to this debate I have learned from my very knowledgeable and well educated colleagues that this problem is a hiatus. I wonder if their constituents are as knowledgeable as they are. I have also learned from the hon. member for St. Paul's (Mr. Atkey) that certain areas are exacerbated. That is really a "50-center." In real English, putting it on the line for my own people, I believe that means rubbing salt on the tender part of the wound, or whatever part it may be. I wanted to clear that up.

A great many members have repeated, verbatim, speeches they made previously on this same matter. I spoke on this question, I believe on July 9. My remarks are on the record and I do not intend to repeat them. However, I do wish to mention one or two things which I believe should be mentioned. The city members told us they have a really difficult job. One member, the hon. member for St. Paul's, measured his riding—as was mentioned today—in minutes; five minutes by 15 minutes. I believe that is the measurement of his riding, and I do not believe he is the world's fastest walker or runner.

A great many rural ridings would be measured in terms of days and weeks. It is on that basis that rural members feel they cannot properly look after as many constituents as a city member. I might point out that the hon. member for York East (Mr. Arrol), a fine member and a colleague, who spoke earlier today mentioned a letter he had sent to his constituents in York East. In this letter he listed 25 telephone numbers and 25 departments. It does not matter what a person wants, all he has to do is pick up the telephone and automatically the department answers. This would apply, I suppose, in the great city of Montreal and in other large urban centres.

What is the situation in respect of a rural member? In his case there would be only one phone number, the member's. This is another "plus" for the city member. I appreciate the position of my colleague from Fraser Valley East (Mr. Patterson) who just spoke. British Columbia is being discriminated against. I concede that. I suppose the city of Toronto is being discriminated against. Of course, this happens to be the only item in 10,000 in respect of which they are discriminated against. Everything else is a "plus" in their favour.

On this particular basis we must agree that something should be done, but surely the city members would agree that when there is a larger territory to be looked after in a proper manner, the member should not have to be on the run all the time. Perhaps something can be done. Parliament moves slowly: I have learned that in my six months and a few day here. However, perhaps parliament can do something in this case.

I appreciate that the commissions had a difficult job. In my particular case the commission, in its wisdom, came up with a description figure of 84,000. In rural areas a variation is allowed of 25 per cent. This would bring my constituency down to about 62,000. However, they placed in my riding an extra little corner which, for the information of my city colleagues, includes 22 townships. Most of the city constituencies could be placed in one township and be lost. In addition, we have the county of Haliburton. I am supposed to do a good job in respect of it. If I am left with it, perhaps I shall be able to do a good job, but I think this is asking a little too much.

Parliament might be able to come up with some suggestions for the benefit of the city members. Perhaps we could give British Columbia three more members. I will not mention Ontario. However, we might give five seats to southern Ontario. We could steal two seats from northern Ontario. So we are going to give southern Ontario five seats. I feel that Quebec should not have hers taken away, either. I am hoping that a new plan can be devised for revision of the boundaries in this country within 18 months. I think that 12 months is asking for the impossible.

● (1630)

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to make a few comments on the amendment that stands in the name of the hon. member for Peel South (Mr. Blenkarn). In doing so I should like to refer to the tenor of the remarks made by the hon. member for Fraser Valley East (Mr. Patterson) who, at least in my view, sought to create the impression that this was a particular responsibility of the government, that it was an initiative taken solely by the government without relation to the sentiments expressed by members of parliament since the beginning of this parliament.

In the course of this debate the right hon. member for Prince Albert (Mr. Diefenbaker), in his short intervention, made it clear that he was the first person in the House who insisted that action should be taken to deal with this problem that has now been dealt with by the House of Commons. I ask hon. members to take a look at the order paper and at the objections that have been filed by members of this House from all parties, objections against the results of the present over-all framework under which we are operating.

These objections came streaming in from members of the House. They came from the provinces of Newfoundland, New Brunswick, Quebec, Manitoba, Alberta, Ontario, and Saskatchewan. Read the objections and you will find that probably the only way to meet the objections that have been expressed by members of the House of Commons is to try to look at the over-all framework under which we are operating at present.

It should not be a secret that the proposals that are contained in this bill were fully canvassed by representatives of all parties in the House. It was my view from the very beginning that if the official representative of any of the parties said we should not proceed with this, we would not have done so. However, all the representatives of the parties—speaking not for every member, because I under-

stand that there can be differences on this question within parties—agreed to proceed in this way. So it is a responsibility that must be shared by all parties in the House. All the details of this bill were discussed by the House leaders before the bill was introduced.

I believe it is important that that be stated because the bill would not have gone forward if a single party had said, "No, we think this is wrong and we do not think you are proceeding in the right way." I think that is important because this is a parliamentary problem, not particularly a government problem. It is true that the government must take the responsibility for putting proposals before the House of Commons, but this is a problem that must interest every member of the House.

I am merely saying, in reply to the hon. member for New Westminster (Mr. Leggatt), who asked what was the necessity for the review, that the necessity for the review is contained, it seems to me, in the argumentation that is before the House and in the objections filed by members from almost all the provinces of Canada. The question then is asked by the same hon. member, "Why not proceed with the present program and conduct the review simultaneously?" There are two answers to that. First of all, unless parliament were under some deadline it would probably never complete the review; and second, the review is intended to try—perhaps we will fail—to correct the dissatisfaction that has been so widely expressed by members of the House of Commons. In all good humour I would want to put that before hon. members who seemed to insinuate in their remarks that somehow the government had proceeded and that no one else had been involved. We are all involved.

The hon. member for Peel South has not struck at the heart of the bill in his amendment. He has asked, "Why do you not do the job in 11 months rather than 17 months?" I have attempted to deal with why, in my opinion, 18 months is probably necessary. It is now July 19, and in all certainty the standing committee to which this problem will be referred will not get going until the fall of this year and the government will be putting forward definite proposals to that committee. When I mention definite proposals, perhaps hon. members should remember that in the last parliament I introduced a measure to amend the BNA Act in order to mitigate some of the effects of the present system by increasing slightly the total membership in the House. There was no interest, or very little interest in that bill and it died on the order paper.

We will make another effort to put proposals before the committee in the fall, and obviously other members from all parties will be putting forward proposals then. The hon. member for Gander-Twillingate (Mr. Lundrigan), the hon. member for Grenville-Carleton (Mr. Baker) and, I believe, the hon. member for Peace River (Mr. Baldwin) have stated that it would be essential for such a standing committee, if it is seized with a problem of this magnitude, to travel and hear evidence throughout the country. That is going to take some time. Then we will come back and watch the difficulty that members will have in reconciling all the different points of view in an effort to come up with a better system. In the committee I have mentioned some of the problems that have been raised. I put it this way:

[Mr. MacEachen.]

They—

Referring to members of the standing committee.

—will be considering the total membership in the House of Commons. They will be considering the Senate rule. They will be considering the exceptions. They will be considering the principle of representation by population. They will want to consider the question of regional representation. They will be considering, obviously from what has been said even today—

I am quoting myself, having listened to members of the committee.

—the question of the independent commissions versus the politicians.

I am not making any proposal to alter the existence of the independent commissions, but even this afternoon an hon. member on the other side said that an opportunity should be given for greater political input. He asked why it should be that the final word be left with the independent commission. As surely as I am standing here, all these questions and others will be dealt with. The hon. member for Grenville-Carleton said that we must consider further sociological factors, in response to the speech made by the hon. member for Témiscamingue (Mr. Caouette).

I think that that is quite a job. Suppose, after doing all that, they get proposals, they hear witnesses and they reconcile their problems and their difficulties and make specific recommendations to the House. What happens then? If we are going to do anything, we will have to amend the BNA Act, we will probably have to amend the Electoral Boundaries Readjustment Act, and we will probably have to amend the Representation Commissioner Act, to name only three at the present time. Then we bring these into the House and we have another debate, and we have what we are going through today going on and on and on. Yet members say ten months is enough time.

● (1640)

If you want this effort to fail or, to put it more constructively, if you want to oblige us to bring in another bill next May extending the time beyond the 11 months, then you will pass this amendment. I am certain, given all the factors I know, that the time limit is a reasonable one and we will be doing well if we complete our task within that time. The question was put to the Representation Commissioner. He was asked by a member of the committee, why the 18-month period, and he quite properly replied as follows:

I cannot give you any explanation as to why 18 months is required. This is a political decision which the House has made to find a solution. There is a period of 18 months until January 1, 1975, in which the House of Commons has time to find a solution to the problem of five provinces losing seats; areas like northern Ontario losing representation, and northern Quebec; and the shift of rural population to urban, rural seats becoming large. This is all a legislative decision. Parliament has to find a solution.

He went on to say:

In my own view, if you judge this time factor by the 1964 bill, 18 months is not unreasonable.

Those of us who were in this House in 1964 will recall how long it took to put through the Electoral Boundaries Readjustment Act. I put through part of that bill, acting for Mr. Pickersgill who was absent from the House, and I

recall the frequent consultation and negotiation that had to take place with members of the opposition. We will have to go through the same thing again.

I agree with the hon. member for Parry Sound-Muskoka (Mr. Darling) that parliament does move slowly but, hopefully, wisely. In this case it will probably move more slowly than it does on other things because of the importance of the question to all of us. To me, 18 months is a reasonable period. It is put in there as a guarantee to members like the hon. member for Peel South, the hon. member for New Westminster and the hon. member for Victoria (Mr. McKinnon) who are fearfull that this is an effort to put off redistribution indefinitely. To provide that guarantee we have stated that if parliament has not succeeded within the 18-month period in finding a better solution, we will reinstitute the commissions which are being discharged through this legislation.

It may not be any comfort, but hon. members should bear in mind the fact that in a normal parliament, assuming we had a majority parliament, probably there would not be an election until the fall of 1976 under any system of redistribution, and probably we will be just a few months behind that time through the process that we are now undertaking. If hon. members put themselves in that other world a little, they will understand that perhaps not as much is being taken away as is suggested.

Members from the urban areas, from the rural areas, from the big provinces and from the smaller provinces have all expressed their concern. Our job will be to find a framework or a system that will provide better satisfaction to all concerned, and to do it within 18 months. I think that is not an unreasonable period.

Before I conclude, Mr. Speaker, may I just refer to the other 12-month period that is mentioned in the bill. There has been some confusion and a bit of misunderstanding in the debate on the 12-month period as opposed to the 18-month period. The hiatus to which the hon. member for Parry Sound-Muskoka referred arises from the fact that if the Representation Commissioner in the normal course of events, without this interruption, made his order this fall, as he inevitably would do, or in November or December it would be physically impossible to hold an election for a period of a full year. That is not my evidence; that is the evidence that you will find in the committee. That is the advice given both by the Representation Commissioner, Mr. Castonguay, who has more experience in this field than any man living, and by the Chief Electoral Officer, Mr. Hamel. They say a year is required.

So despite the best efforts of parliament in passing the Electoral Boundaries Readjustment act the last time, we failed to take account of that hiatus problem and it is covered in a separate provision in this bill so that it would be possible for Canada to have an election at any time. If the provisions of the act were allowed to stand as at present, it would probably be impossible to have an election in 1974, and you can imagine how the rafters would ring in this chamber and how the editorial voices would clamour if, say, the government were defeated in January and we could not have an election until ten months after that. Everybody would decry how negligent parliament had been and how the government had tricked the people and the House of Commons. There might even be the horrible possibility that the Governor General would have to send for the opposition without there being any opportunity of their going to the people. That is corrected in this bill.

If the hon. member for Peel South would just look at the evidence given by the Chief Electoral Officer, he would see that this is a solid situation despite what has been written in the urban press to the effect that this is just a bit of imagination concocted in the House leader's mind because he wants to save his seat. Mr. Speaker, it arises from the very fundamental characteristic of running an election in Canada. So I hope we will not be influenced by this amendment, that we will defeat it and give all members of the House of Commons a reasonable time to come up with a better system. If we do not come up with a better system, we will have to go back and live with the one to which so many objections have been raised by all members of the House.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I would like to support Bill C-208, an act to suspend the operation of the Electoral Boundaries Readjustment Act. My support comes from very basic reasons. The President of the Privy Council (Mr. MacEachen), the government House leader, has just made an elegant speech in which he reminded hon. members that the impasse which parliament has reached is the result of protests that have originated not only with members of parliament representing all parts of the country, but is also the result of a massive protest from the public itself.

● (1650)

Those of us who attended the local hearings of the redistribution commissioners I think will be able to conclude that it was the most vigorous and active example of public participation that we have engaged in for a considerable length of time. Under these circumstances it was inevitable that some emergency action should take place in order to deal with and respond to those protests.

The point I wish to make, however, is that the reason we are in this dilemma, the reason we have reached this impasse is that there is a basic law in the Electoral Boundaries Readjustment Act itself. We were convinced of this when we were carrying out redistribution the last time following the 1961 dicennial census. Those of us who were members of parliament at that time recall that we went through precisely the same process—"agonizing" process would be a better phrase—that we have engaged in at the present time.

Obviously, from the two applications of the new act—the act is comparatively new, having been passed in 1964, I believe—I think it is time to conclude that there is a fundamental flaw in the legislation itself. I would hope that the government, which has put forward the present emergency bill, C-208, will take this into consideration along with the other problems that were dealt with by the President of the Privy Council (Mr. MacEachen) a moment ago.

When we were debating the act, members of parliament were not unaware of the dilemma we were getting ourselves into. The original act back in 1963-64, as it came from the hands of the governor in council, provided a

measure that would make it possible for the two chief officials of the Parliament of Canada, the Prime Minister and the Leader of the Official Opposition, to appoint representatives to the Electoral Boundaries Commission. As a result of strong protest at that time, I think my hon. friend and colleague from the province of Manitoba—the keystone province—the hon. member for Winnipeg North Centre (Mr. Knowles) led the opposition at that time and introduced the amendment which I think has created the problem confronting parliament at the moment. In his amendment the hon. member suggested that to give the top officials of this House, the Prime Minister of Canada and the Leader of the Official Opposition, the privilege of appointing representatives to the Electoral Boundaries Commission would return the whole process to the realm of partisan politics.

The Hon. J. W. Pickersgill was leading the debate at that time and was piloting the legislation through the House and, faced with a confrontation of this kind, he decided to capitulate. Those were the days when the government had a majority.

Some hon. Members: No.

Mr. Dinsdale: No, I guess it did not, but it was not in the dilemma it faces today when it is at the beck and call of the New Democratic Party. They could have taken fate by the forelock and carried on with the legislation as it was originally proposed. We would have been spared the agony and the process of sober second thought that we are going through at the present time. I could quote excerpts from the debate on that occasion. Page 739 of *Hansard* for March 10, 1964, reports Mr. Pickersgill as saying:

—in doing this—

He is referring to this amendment.

—we should not abdicate the final responsibility which is imposed upon this parliament and we would have to find some means of making sure that we did not just turn this matter over to a commission—

Notwithstanding those wise words, the government agreed to the amendment and the whole process of redistribution was turned over to a commission which was made up of the judiciary and two appointees by the Speaker. I am sure those of us who have gone through the experience of two redistributions are quite convinced that this is an entirely unsatisfactory method of carrying out redistribution.

Mr. Knowles (Winnipeg North Centre): Speak for yourself.

Mr. Dinsdale: The hon. member for Winnipeg North Centre tells me to speak for myself. I think the facts speak for themselves. Surely he has been in tune to a sufficient extent that he is aware of the massive protest that has been generated on the basis of a redistribution that has been carried out by an independent commission—a commission that is so independent that it is completely out of touch with the political realities of this country.

Obviously, as I have indicated, Mr. Pickersgill was aware of the problem and we spent a considerable time trying to convince the government to carry on with its original legislation. Had it done so, Mr. Speaker, I am sure that the purpose of including representatives of the officials of parliament on the commission would have been realized and we would have had in the redistribution process some imput that would have dealt with the political realities of the country.

As I have indicated already, I trust the government will look back over the debate and will amend the legislation in such a way that it will achieve the purpose that we intended by the original act. It is almost five o'clock, Mr. Speaker. I want to go on to another topic, so perhaps we could call it five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): It being five o'clock it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Vancouver South (Mr. Fraser)—Energy; the hon. member for Winnipeg North Centre (Mr. Knowles)—Social Security; the hon. member for Wetaskiwin (Mr. Schellenberger)—Agriculture.

[*Translation*]

It being five o'clock the House will now proceed to the consideration of private members' business as listed on today's order paper, namely Notices of Motions (Papers), private bills and public bills.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder whether the member in whose name the motion stands today would be willing to have us suspend private members' hour and get on with the amendment of the hon. member for Peel South (Mr. Blenkarn). I am sure he would like a decision to be reached on it.

Mr. Bell: Mr. Speaker, we have noticed that private members' hour is being done away with far too readily around here. I could inform the House, in order to make everybody happy, that we have only two or three more speeches for tonight.

The Acting Speaker (Mr. Boulanger): There is no unanimity.

● (1700)

PRIVATE MEMBERS' MOTIONS

[*Translation*]

REGIONAL ECONOMIC EXPANSION

LOAN OFFERED TO "CORPORATION DU JOURNAL LE SOLEIL DE QUÉBEC"

Mr. Adrien Lambert (Bellechasse) moved:

That an Order of the House do issue for copies of the contract and all documents relating to a grant by the Department of Regional Economic Expansion to the newspaper *Le Soleil* of Quebec.

Mr. Speaker, with consent of the House I should like to say a few words about the point of order brought up a moment ago.

Unless I am mistaken, I believe Bill C-208 might be passed if the time set aside to study this motion were given up. If that can expedite the business of the House, which would be in the public interest, I am quite prepared to do so. But if it will enable the official opposition to proceed indefinitely with the debate on this matter, then I do not agree. If, on the other hand, this legislation can be passed by six o'clock and the government could then introduce legislation that is expected by the people, for instance, the one concerning family allowances, then I am prepared to sacrifice anything to speed up our business.

The Acting Speaker (Mr. Boulanger): Order. I think that the hon. member should have made that proposal before we proceeded with private members' business.

Still, we can ask for the unanimous consent of the House to revert to consideration of the bill, and I do not see any objection to that.

[*English*]

Is there unanimous consent?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT TO SUSPEND OPERATION OF ACT

The House resumed consideration of Bill C-208, to suspend the operation of the Electoral Boundaries Readjustment Act, as reported (without amendment) from the Standing Committee on Privileges and Elections.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I am delighted there has not been a long interruption in the discourse I commenced, because it is always difficult to pick up the thread. I will just restate the main point I wish to make in my contribution to the discussion. If we are going to solve this problem it will be necessary to carry out some rather detailed amendments to the original act on the basis of the suggestions I have already made.

Notwithstanding the point I have made, that there is this fundamental flaw in the legislation, the redistribution that precipitated the recommendations of the commissions across the country, which precipitated this emergency bill could have been avoided if the redistribution commissions had taken into consideration the protest they met with at regional meetings across the country.

The protest was based primarily on the failure to recognize what is one of the major social problems in Canada today. That is the tendency of governments at the federal and provincial levels to cater to the process of the continuing drift of population to the city, rather than bringing into being policies to counter this fundamental trend. The impression I received when I discussed the matter at the hearing in Brandon last May was that the commissioners were also accepting the myth, without criticism or reservation, that it is inevitable that the population of Canada will gradually shift to the great urban communities. They accepted the statistical trends put forward by the sociologists and other social scientists who pontificate from great heights that by 1985, 85 per cent of the population of Canada will be resident in a dozen or so major urban communities. If they accept that myth uncritically, obviously they will get a distorted picture when they try to carry out redistribution based on the 1971 census.

As I see the results in Manitoba, the province I have examined in detail, it is obviously they not only took into consideration the statistics from the 1971 census but were trying to anticipate the statistics for 1981 which they feel will conform to the continuing pattern of rural to urban drift. As a result, the redistribution in Manitoba is badly out of whack. This was brought home repeatedly, in clear-cut terms, to the commissioners when they listened to the public protest at the local hearing in Brandon. There was nothing fuzzy about it.

We face the situation where nine out of the 12 electoral ridings in the province of Manitoba could be represented by an urban member of parliament. When you fall into that gross error, obviously you are going to perpetuate this trend which has become a part of our Canadian mythology. Members will understand why there has been such an enthusiastic and vigorous protest from at least the rural parts of the province of Manitoba.

If the commissioners had understood the political protest, and if there had been some practical political input—as would have been the case had the original act been allowed to proceed in this House in 1964—we would have avoided a fundamental error of this kind. We are not necessarily objecting. Some commentators have the impression that Manitoba is objecting to the fact we are losing yet another seat, dropping from 13 to 12. Certainly that is something that has to be regarded. Perhaps I should underscore this by pointing out that in 1941, when Manitoba had a population of 729,744, we had 17 members of parliament. Today, with a population of 980,000—close to one million—we are going to have only 12 members of parliament. We have dropped five members of parliament notwithstanding the fact that our population has increased by almost 300,000. That is an undesirable trend. It is for this reason the right hon. member for Prince Albert (Mr. Diefenbaker) raised the basic point that perhaps there needs to be an increase in the over-all member-

ship of the House of Commons if we are to avoid that unhappy situation.

● (1710)

Basically, our protest is not on the ground that we are losing another seat, but on the ground that the redistribution commission has neglected to include in its recommendations means of dealing with rural-urban drift. Everyone is seized with this question. Municipalities and provincial governments alike are expressing themselves in favour of public policies which would reverse the drift to the larger communities. The federal government is moving in the same direction. For example, there is the proposal to decentralize DREE, to reverse the old formula under which 70 per cent of the staff would be in Ottawa and 30 per cent outside. In future, 30 per cent of the staff is to be in Ottawa and 70 per cent in other centres throughout Canada. It could be that as these programs take effect, by the time we reach 1981 the recommendations of the commission, predicated on the naïve acceptance of the myth of continued rural-urban drift, will produce further distortions of redistribution patterns.

The hon. member for Peel South (Mr. Blenkarn) has asked that the period of consideration be shortened. If the necessary reconsideration could take place in a shorter period of time, I would be inclined to agree with him, Mr. Speaker; but my experience in the House leads me to believe it would be impossible to do so.

The Acting Speaker (Mr. Boulanger): Order. I regret to interrupt the hon. member, but his time has expired. Is the House ready for the question?

Some hon. Members: No.

The Acting Speaker (Mr. Boulanger): I might point out that the reason I asked whether the House was ready for the question was that no member rose to continue the debate. It is impossible for the Chair to determine whether an hon. member wishes to speak, if no one rises.

Mr. Joe Hueglin (Niagara Falls): Mr. Speaker, may I say that basically I am in favour of the amendment. One of the reasons is that I believe we must resolve the problem as quickly as we can. The area I come from, the Niagara peninsula, is very diversified, considering its small geographical size, encompassing as it does tourism, commerce, industry and agriculture. The members of parliament representing the Niagara district must represent all these diverse interests and also take into account the great transportation routes contained in the constituency. There is the Queen Elizabeth highway and also the Welland canal on which so much money has recently been spent. This is something about which we learned last weekend. In addition, my riding is contiguous to the border with the United States, which also goes to create diversity and unity.

The Niagara riding which I am honoured to represent was one of the few ridings fortunate enough to remain the same during the process of the previous redistribution. What we saw, however, when redistribution was originally brought down was that no population shift in the four ridings in the peninsula occurred; nothing was added and nothing was taken away. It was almost as if the ridings were a deck of cards just thrown up in the air. Purely on the basis of population they were then reassembled differently. No heed was taken of anything except density of population.

Within the riding of Niagara there are both city and rural communities. The difficulty under redistribution was that we were to get something completely different; the riding was to include a town on the Welland canal based completely on industry. What we need is a quick decision in this respect so that the people in the Niagara area are not faced with the degree of uncertainty about which they have been expressing concern to me over the past few months. Something other than population must be taken into account. History must be considered. My riding has been the same since its inception. Geography must also be taken into account. The Queen Elizabeth highway runs through the riding, and the frontier with the United States is there.

It is difficult for members of parliament to represent as many different economic activities as there may be in a region. I know some of my hon. friends from the east have difficulty for this reason. Population as a sole basis ignores these factors and this is exactly what we have been saying in the Niagara peninsula. I submit there will be no objection on the part of most of the citizenry to some imbalance in strict population if individual concerns are well dealt with and members have increasing assistance to serve them. I think most people are concerned with being well served, not with exactly how many men, women and children live within a given area which the member represents.

It would appear that a new framework is necessary, something other than just throwing the cards up and having four ridings divided into four new and different ways. It appears to me we should attempt to deal with these problems with all haste. Haste means it has to be done more quickly than some of the things we see from time to time. We are not faced, in the Niagara peninsula, with the vast areas that face other members. Our representations have mainly to do with history, geography and economic interests. But it is very unfortunate when questions are left for months or even years without resolution.

It now appears that when the final distribution came down, the argument raised that something other than population be taken into account had its effect. We went to Welland, made representation there and spoke to the commissioners. They said representations of a similar nature had been made all across the province. At least in our happy situation they were effective, because in the final distribution what has happened is that Fort Erie and Niagara Falls will still constitute Niagara riding. So whether this bill is passed and we hold up redistribution for 12 months or 18 months, or whether it is not passed at all will not have any particular effect upon my riding. Other commissions, however, have dragged on. Although this will be, as I understand it, parliament itself rather than some appointed commission dragging on, I am afraid I have very little confidence in commissions coming in with recommendations within the stated time.

Therefore, all I would presume to do in support of this amendment is say that if it is a year instead of 18 months in which a report must be made, then perhaps "all due

haste" will be a little hastier than it sometimes is, if 12 months is the limit. It appears to me, therefore that the sooner a report is returned, the sooner the uncertainty will be ended in the country and in my riding.

Mr. Allan Lawrence (Northumberland-Durham): Hon. members will be glad to know, I am sure, that I shall not unduly delay consideration of this measure by the House. However, I feel it is incumbent upon me at least to outline in the House the position I have already taken outside the House and in my riding in particular. It is not a new position for me by any means. I have had experience of so-called independent electoral boundary commissions in jurisdictions other than this. The fact that I now represent a rural riding has not changed my opinion with respect to previously held convictions which I expressed when I represented a congested urban riding in another jurisdiction. The theory of an independent Electoral Boundaries Commission, presumably free from gross, partisan political considerations, is excellent but in practice it leaves much to be desired.

● (1720)

I complained bitterly when in another jurisdiction I was confronted with legislation almost similar to the bill we are considering in the federal field. I do not understand how those in the federal jurisdiction can commit the same blunders that people in other jurisdictions have made. In some cases the federal people have picked the same personnel for the boundary commissions that the provincial people have picked, despite the errors of the past. Here, as usual, the federal jurisdiction drags along, like a cow's tail, behind provincial jurisdictions in legislation that has been enacted at the provincial level, even when everyone at the provincial level is willing to admit that the province made a mistake. As I said, the theory is good, but it does not work in practice. The history of electoral boundary commissions at both provincial and federal levels proves this.

Somehow or other these commissions are imbued with the ideas of the engineering concepts, with the concept that takes into account only population figures. That is why I welcome the government's move in this respect to hoist for 18 months the whole operation of the Electoral Boundaries Commission. When I say that, I wish that some of these considerations had been taken into account earlier by the government so that we would not be in our present position, because many people, including editorial writers, are taking jabs at us for undoing what they believe to be progressive legislation. It is not progressive legislation in that it simply does not work.

In deciding electoral boundaries one should not only look at bare population figures; one should also look at communities of interest, at municipal boundaries and at municipal electoral and provincial electoral boundaries. The people of this country find most confusing the fact that municipal boundaries are different from provincial electoral boundaries, which in turn are different from federal electoral boundaries. Surely, in these days when mankind can put men on the moon, it should not be difficult for political administrations in this country to get together and work out a realistic and workable system under which municipal electoral boundaries, provincial electoral boundaries and federal electoral boundaries can more closely coincide with one another than they do today.

In the province of Ontario, particularly southern Ontario, there is a hodge-podge of electoral districts, It is my hope that in the 18 months or so that lie ahead of us when this matter will be considered and, hopefully, a more permanent solution will be found, we shall come up with an answer which will make possible some sort of working agreement with provincial and municipal authorities. I hope that a more permanent body will be set up to look into the question of boundaries affecting all three levels of government. Hopefully, it will do so more realistically than these so-called independent commissions.

There is another matter I shall mention, although I feel that I should not talk about it. It is this. The general area of southern Ontario, part of which I represent at the moment, returns 11 members to this House. Of those—I am speaking strictly from memory—eight are Progressive Conservatives, two are Liberals, of whom one is a cabinet minister, and one is a member of the NDP. In the first report of the Ontario Electoral Boundaries Commission, made earlier, changes were made in almost all those 11 seats. Some of the members concerned objected, some political organizations objected and some citizens' groups objected. Some of us did not object because we were aware of the problems that exist in satisfying the great conflicts that obviously appear when something like this is attempted. In any event, opportunity was given to the public and to politicians to object to that first report. Many people took advantage of that opportunity.

Sir, this bill having been given first reading, I found it rather odd, to put it mildly, that the next day the second report of the Ontario Electoral Boundaries Commission came out. No more public hearings could be held in connection with that report or, rather, there could be no more hearings unless there was filed a notice of dispute or a notice of objection. I would have thought that the Ontario commission would have realized that the first reading of this bill indicated that the government intended to bring about drastic changes in this area or at least to put things on ice, as it were, for 18 months. Instead, the Ontario commissioners presented their second report the day after this bill had been read the first time. That report was released to the press and tabled in this House. I find that strange. I do not know why that could not have been held until the House had finished its deliberations in respect of the measure now before us. That is my first point.

My second point is this. I am rather suspicious, being of a cynical turn of mind, of the drastic alterations proposed for many ridings of southeastern Ontario. Of those 11 seats, eight are held by Conservatives, two by Liberals and one by the NDP. I find it passing strange that only the Tory seats were to be affected. The two Liberal seats were really not affected at all, and the one NDP seat was not affected. I am afraid that in my senile dotage I am getting rather suspicious and cynical about some of these things. In any event, the people I represent were rather upset about the second report as they did not have any oportunity to make representations to the commission about it. I think the legislation is therefore deficient, because the tabling of that second report means that unless notice of

dispute is filed within 30 days after its tabling in the House, those boundaries become law, or would become law except for the provisions of the measure that we are now debating. There is no opportunity for public hearings to be held.

● (1730)

My point to you today, Sir, is that that second or final report of the Ontario Electoral Boundaries Commission so drastically changes the first report as really to make the two reports completely irreconcilable. Therefore I think, even though it is a brand new report and one which has not seen the light of day before the people in my riding particularly, or in the neighbouring riding where the people are equally upset about it, there will be no opportunity for these people to make public their grievances or complain about it at a public hearing.

That is why I shall vote for the government measure that is before us today. I think this is rather unreal legislation, and therefore I believe an 18 month hoist is good. I also do not intend to support the amendment of my good and valued colleague the hon. member for Peel South simply because I think that a 12 month period is not long enough. A period of at least 18 months will be required to try to straighten out the mess we are now in.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I assure you and the members of the House that I shall not speak long in this debate. I believe, however, that there are a couple of factors which should be mentioned. The committee which will be set up will have the obligation in some way or other of bringing about equity between the provinces. In the province of Alberta the Electoral Boundaries Commission paid definite attention to the proposed growth factor and little attention to the 25 per cent variance factor. We have had city ridings with smaller populations than so-called rural ridings in which there has been a variance, in some cases, of 16,000, yet in the new redistribution in the province of Ontario, for example, this is not the case. Some of the rural ridings could go down as low as 54,000 in the new redistribution and some could go as high as 98,000. But nowhere do we see this same balance hold true in respect of Alberta or Manitoba. I have not looked at the situation in the province of New Brunswick but I am told that there too the preference is given to the growth centres and not the sparsely populated areas.

The other factor which I think the committee should study and which also will take some time—and therefore I am not really inclined to support the amendment of the hon. member for Peel South (Mr. Blenkarn)—is the floor for provinces which may well have a slower rate of growth than the general average for Canada. I am thinking here particularly of Saskatchewan and Manitoba. The present floor in the British North America Act, as we all know, in essence is the same number of Commons seats as the province has Senate seats. This gives a province like Prince Edward Island, with little more than 100,000 people, four seats in the House of Commons because it has four seats in the Senate. It gives New Brunswick and Nova Scotia a floor of ten seats while the province of Saskatchewan, which has a population similar to that of Nova Scotia, could well go down to the point where it has a floor of six seats.

[Mr. Lawrence.]

In this day and age when all eyes are focused on the west and the new feeling of alienation which may have come to light here in Ottawa I think it behooves the members of this legislature to attempt to justify this inequity which appears in the redistribution act. Certainly we should give this matter a lot of thought. I do think that in doing that we should necessarily enlarge the membership of the House of Commons. From the attendance which has been evident in some committees it is possible that an enlarged House of Commons would allow for greater participation by members in committees, which would therefore allow more committees to function. But I really do not think that has been the real problem in respect of committees. I know that the larger the House of Commons becomes in membership perhaps the more unwieldly it becomes; also the more democratic the process becomes the more voices we hear from the people. However, I think the House could become pretty unwieldy.

I would not be opposed to a minor alteration in the membership of the House of Commons. When I was first elected the membership was 265. Our population has grown. It is hard to equate how the responsibilities of a member of parliament grow, but they have grown. The government seems to be rushing forward in its attempt to do things for people. In this attempt to do things for people we are seeing more and more government participation in business all across Canada. This causes a great deal of concern to many people. That concern, of course, is registered with their representative in the House of Commons. So while we might expect a minor increase in the House of Commons, I do not think it is necessary to consider a figure of 299 or something like that. I do not think we need go that far.

I think a formula in respect of a base for Manitoba and Saskatchewan can be arrived at with less enlargement than that of the House of Commons. Certainly with the spirit of conciliation which has taken place in Ottawa I think this committee of the House of Commons, when formed, would like to hear briefs from the provinces, particularly Saskatchewan and Manitoba, concerning the question of a floor for representation in the House of Commons. This could take some time. I have participated extensively in committee work and I know how difficult it sometimes is to get committees to arrive at a point where what might be called a consensus of opinion is reached in respect of the issuance of a report back to the House. Sometimes this takes a long time.

I see the Minister of Agriculture (Mr. Whelan) in the House which reminds me of an occasion when it took a period of about a year and a half to reach a consensus on a bill in the committee on agriculture. I do not suppose this committee would take quite that long, but I do know that we require the length of time the bill suggests. I believe we would be running an undue risk if we were to accept the suggestion of the hon. member for Peel South in his amendment to shorten the time period from 18 months to 12 months.

This is a problem which has plagued Canada. If redistribution must take place after each census—and I am not opposed to that—then we must make certain that it takes place in a fair and equitable manner in respect of all

regions of Canada and all segments of society. A little extra time would be well spent in settling some of the grievances which have been voiced in this and other debates in the House of Commons.

● (1740)

The question of adequate representation of rural and urban areas is another problem. I do think that as legislators we should be attacking that problem; we should be attempting to solve it. Because of the differences in the findings of the electoral commissions in the various provinces, I do not think they can solve that problem. In fact, they have aggravated it to some degree. Also, no attempt has been made to solve the matter of the floor which I have mentioned.

For that reason I think that the House should not accept the amendment, although I realize the concern of the hon. member for Peel South regarding the huge size of his constituency and I certainly understand the motivation behind his amendment. However, I want to say to him through you, Mr. Speaker, that knowing the energy which he possesses I am sure that he is quite capable of representing that huge riding for the additional six months or so, no matter how long it takes to arrive at an equitable solution. I think that the people in Peel South are well represented and with his energy the hon. member will be able to do a good job in the additional six months.

The Acting Speaker (Mr. Boulanger): Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. Boulanger): I declare the amendment negatived.

Motion (Mr. Blenkarn) negatived.

[*Translation*]

Hon. Allan J. MacEachen (President of the Privy Council) moved that Bill C-208, to suspend the operation of the Electoral Boundaries Readjustment Act, as reported (without amendment) from the Standing Committee on Privileges and Elections, be concurred in.

Motion agreed to.

[*English*]

Mr. MacEachen moved that the bill be read the third time and do pass.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have listened intently to the discussions that have taken place on this bill and I was particularly interested, as we all should be, in the remarks that were made by the President of the Privy Council (Mr. MacEachen). We have considered the problem of redistribution on several occasions and therefore I am concerned about the government's intentions. I am sure that the people in northern Ontario would like better representation and this may be brought about by the time the government gets around to doing something about it.

Just last week a new agency has been established in northern Ontario whose purpose is to establish a new province in that area. I wish them well, and I certainly hope they will have some success. We have the problem of urban versus rural representation, the problem of distances and of floors, in fact all of the various problems that we were faced with in 1964. These problems have not gone away and some of them have been partly solved.

I have been very concerned about some of my colleagues in northern Ontario. One in particular did not have any interest in this matter and did not even bother making a representation to the judge, as did many other people. He ended up in a very bad situation, and it serves him right; he damn well deserves it. Anything that he got was of his own making. However, that does not change the situation for other members. I would be quite happy to go along with the boundaries which we now have, not so much because I am satisfied but because it would put him in such a bad position that it would please me to see him struggle a bit.

The point I would like to make on third reading is that I wish the House leader could outline what he wants and how long he thinks the review will take. He has said that it will take 18 months, but I do not think it can be done in 18 months unless we start right now. I am sure that we will not get started on this for a long period of time. If we are to do something about it, it seems to me that the President of the Privy Council will have to say that he is prepared to establish a committee immediately to assess what we can do about this matter.

Much has been said about the redistribution which we accepted in 1965. I think that the 25 per cent tolerance for each province is a pretty good system. I think we have a problem in some areas, and northern Ontario is one of them. I sympathize with the hon. member for Cochrane (Mr. Stewart), who represents a very large area which may be enlarged in such a way that it will be very difficult to service. The same has been true for me for a long time.

The boundaries of the riding of Timmins are a disgrace, but from another point of view. No distances were involved. It was easy to represent. Sudbury is another riding of which the same can be said. In northern Ontario we are really not competing with Toronto for urban representation, but Sudbury was the kind of riding that was easy to represent.

I think that the re-distribution was fairly reasonable and in accordance with the terms that we gave to the commission. I know that in my own instance the commissioners looked at northern Ontario and recognized that it was a big area and that they would be foolish to travel across it. There are really no good maps of northern Ontario except for lakes and forests, and no one would try to divide an area which covers three quarters of Ontario. But they did take into consideration the information they were given by us and they did make a number of changes. They gave the public an opportunity to make representations. I was not in complete agreement with the represen-

tation that was made to the commission in Kirkland Lake and in Timiskaming, but the people made their representations to the commission and the commissioners listened to them and accepted pretty well their proposals. They redrew northern Ontario on the basis of those representations. I think that the commissioners did listen and did give the public the opportunity to speak out.

I do not think it really matters how long the review will take, whether it is three months, 12 months or 18 months. It depends on what we intend to do in that time. The House leader can ask for 18 months. I presume that he is thinking what most of us are thinking, namely that it will not affect us because there will be an election before that time. If nothing happens in that time and we come back, perhaps we will reinstate the boundaries commissions and start all over again. I do not think that is good enough. I think we have met the needs of members of parliament but we have not done much for the country. What the President of the Privy Council should do is to set down a timetable.

● (1750)

I listened with great interest to the speech of the President of the Privy Council. He knows the reasons why the job cannot be done within much less than 18 months, but he said nothing about establishing a committee to do the job. Surely we will not get back to the position where the government party can gerrymander.

A few minutes ago I heard another opposition member say he was looking with a jaundiced eye on what the commission had done in his area because greater displacement in opposition seats took place than in government seats. Or perhaps he meant that the NDP seat in that area had not been changed. Who he was accusing, I do not know. But I hold that if the government House leader is serious he should be prepared to give an indication on third reading of what he is going to do about the problem.

The period of 18 months may not be too long, but it will not give us too much time if he lets 12 months go by before starting to act. Here we are sitting in Ottawa in the month of July when we should be on holiday, and we may sit on into August. The government House leader knows that what he is doing may make it impossible for us to have a summer holiday next year also. I was one of a number of people who worked to establish a regular, organized summer holiday in June, July and August, but we loused it up by not having a real timetable and by not being prepared to make decisions early.

If we are serious about having an election under a new system of redistribution, we should set down a timetable for that redistribution. Will we have a special committee undertake the job? Will we bring in officials from the redistribution commission as well? Will we establish an impartial committee to which members of parliament will have some input? When will the job start?

If the government House leader is not prepared to get up on third reading and give us a timetable, nothing may happen until next spring. In that case we could have ar election on the basis of the old boundaries and we might not have to worry about this problem for another four years, although I suspect we would have to start worrying about it two months after the next election since I do not think the result of that election would be much different from the last.

A constitutional amendment may also be necessary. In that case there are two sides to the issue. We may have to ask the provinces to give up their Senate floor, or we may add new Senate floor bases for a number of provinces that have been losing population. In that event we would need an amendment to the BNA Act, and this would require the co-operation of the provinces. With one exception we have not been able to amend the BNA Act since 1913 without the unanimous consent of the parties involved.

I think this discussion has been worthwhile although general in nature. Within limits I have always taken the word of the President of the Privy Council as gospel, and I am willing to accept what he says in outlining a timetable to bring together the diverse elements not only in the House of Commons but throughout the country when dealing with redistribution.

I believe we should benefit from the work already done by the boundary commissions. We would be stupid if we did not give some consideration to their deliberations. If the President of the Privy Council does not make a statement on third reading, then I hope he will discuss this matter with his cabinet colleagues and be prepared to give us a timetable in the very near future. I think the 18 month period should date from now, not from five or six months hence.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I would just like to say that I feel this debate has been useful, that it has pinpointed the problems, and that it is incumbent on the government to move as quickly as possible. Despite what some editorial writers think about members having partisan considerations, I think that in the case of Manitoba, where every rural council, regardless of the political affinity of its members, has joined in protest against the proposed new boundaries, these are things that must be mentioned and considered. I suggest that we proceed now with dispatch, and I hope we arrive at a reasonable solution.

Mr. Don Blenkarn (Peel South): Mr. Speaker, I have spoken on two previous occasions on this bill and have no intention of holding up the House for a great deal of time, but there are some things I should say in view of the number of comments made with respect to the position I took on the bill on behalf of the people of the riding I represent, and generally on behalf of the great urban areas. I am prepared to begin now, but it appears to be six o'clock so I will call it six o'clock.

Some hon. Members: Carry on.

Mr. Speaker: Does the House wish the Chair to call it six o'clock, or is it the wish of hon. members to continue beyond six o'clock?

Some hon. Members: Six o'clock.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

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

The Acting Speaker (Mr. Laniel): The hon. Minister of Justice (Mr. Lang) on a point of order.

Mr. Lang: Mr. Speaker, I should like to ask the agreement of the House to revert to motions for the purpose of allowing me to make a statement on motions in regard to wheat prices.

The Acting Speaker (Mr. Laniel): Hon. members have heard the suggestion of the hon. minister. Is there agreement to revert to motions?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): It is agreed.

ROUTINE PROCEEDINGS

[*English*]

GRAIN

WHEAT—HIGHER PRICE TO MILLERS TO REFLECT CURRENT WORLD PRICE

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the Governor in Council has approved a change instructing the Canadian Wheat Board to charge Canadian millers a higher price for wheat reflecting current world price.

In order to avoid the total of the increase going on the price of bread, the government will pay $1 per bushel as a continuation of its two-price wheat policy. The balance, and never less than $2, will be paid to the Canadian Wheat Board by domestic millers, basis 1 Canadian Wheat Red Spring Wheat at Thunder Bay.

Under the previous two-price wheat scheme, in effect since 1971, the Wheat Board charged domestic millers $1.95½ per bushel and the government paid $1.04½. This guaranteed farmers a $3 return for milling wheat used in Canada. The important thing to western farmers is that wheat sold to domestic millers will reflect the world price, and farmers will always be assured of no less than $3 per bushel.

Mr. Baldwin: Always?

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I want to take the opportunity to thank the minister for sending a copy of the proposed statement to my office. We appreciate that very much, particularly in view of the statement's brevity and its poor explanation of what the minister is really doing. If I misinterpret the statement in any way I ask the forgiveness of the House and the minister; it is because of his rather poor explanation.

The way I interpret this statement, it limits the liability of the government. Up until this time, if the world price of wheat continued to rise and it reached, say, $4 a bushel, in

ordering the Wheat Board to sell to millers at $1.95½, the government's liability would reach close to or above the $2 mark.

One must always acknowledge the fact that the executive must be better informed than the opposition, must be better informed than backbenchers in any party because they have a huge staff researching world conditions. I have had some arguments with the minister about what world prices of wheat do, but it is obvious from this statement that the minister is frightened about the obligation the government might have to assume if his expectations are correct that world wheat prices will continue to rise. The statement says quite clearly:

> In order to avoid the total of the increase going on the price of bread, the government will pay $1 per bushel as a continuation of its two-price wheat policy.

The key word there is "total"—in order to avoid the total of the increase going on the price of bread. He is not necessarily saying there will be no increase in the price of bread; he is saying that part of the increase will be borne by the government.

There has been some mention in this place in recent days of the high price of food. Here is a government contribution to what the low price of bread is going to be.

The second last paragraph states that to date the government has paid $1.04½ per bushel. They are going to lower their contribution. They expect the price of wheat to go higher, so we can expect the price of bread in Canada to go up in the near future. The government is somewhat frightened by the trend in world prices and about their liability, so they come forward with this concept now in order to make it abundantly clear that they will only be liable for another dollar a bushel and that is all.

It behooves one at this time to look at world prices. Depending on what port you buy from in Canada, whether Vancouver, Thunder Bay or Churchill, I think it is safe to say they are hovering in the neighbourhood of $3.50 per bushel. So the increase in the price of wheat to the miller is in the neighbourhood of 35 cents to 40 cents a bushel.

It is interesting to note that in his statement the minister says the balance paid to the Canadian Wheat Board by domestic millers shall never be less than $2. Even in the statement the minister is acknowledging the increase to the miller from $1.95½ to at least $2. It will never be less than $2.

The other interesting concept is the conflict of opinion that has gone on in western Canada as to how the acreage payment or the two-price wheat policy of the minister will be paid. This is not clarified in this statement. The minister suggests in the statement a continuation of this two-price wheat policy. It behooves me to pose the question: will the dollar per bushel of the government's contribution be tacked on to the price of wheat, and will it be paid out through the wheat pools to the wheat farmers, or does he intend to continue with the acreage payment?

I think that would be an interesting question particularly in light of the oncoming wheat crop and the number of farmers who refuse to grow wheat or who did not sow as many acres as the minister wanted them to, perhaps because of a certain reluctance namely on his judgment.

Wheat Price Increase

● (2010)

We must also decide whether cattle ranchers, rapeseed growers, barley growers and all other agricultural producers on the Prairies should share in the buoyant wheat prices of today

Without saying any more about this statement, it should be clear to Canadian consumers that bread prices will rise and that the government's liability will be limited; in fact, it will be reduced, according to this statement.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I wish to thank the minister for the courtesy of providing us with this reasonably short statement some time ago. Like the hon. member for Crowfoot (Mr. Horner), I am more confused by the statement than enlightened.

The indication is that the price of bread will go up. When we originally set up the two-price system, we did so for the purpose of maintaining a reasonable price for the western farmer. He was assured a minimum of $3. The price is now substantially higher than $3. By reducing the amount of subsidy which we pay by 4½ cents per bushel, we are in effect saying this will have to be picked up by the milling trade.

With the price of bread increasing by 1 cent, this will produce about 55½ cents plus the 4½ cents the taxpayer is now paying through a subsidy. There will be a tendency on the part of the milling trade to increase the price of bread in the very near future by more than 1 cent in order to bring it up to the world price and the farmer can continue to get his price.

This is not the time to reduce the subsidy on milling wheat. Rather, it is an excellent time to increase the subsidy, so that the potential price increase for bread will be limited. We must find a way to control basic commodities in Canada as well as their price. An excellent way of maintaining a reasonable price for bread would be to increase the subsidy we have been paying in line with rising world prices.

Most farmers and the trade anticipate a price increase because of world conditions. There will be a scarcity of food. If we are going to maintain the price of this basic commodity, bread, the government should increase the subsidy.

I regret this subsidy is being reduced by 4½ cents. When this is added to the milling price, it will obviously result in an increase. Any increase charged to the milling trade is always charged back to the consumer. If the price of wheat increases, the increase to the consumer is always considerably more. This will result not in a 1 cent increase in the price of bread but several cents.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, with regard to this increase in the price of bread, the minister responsible for the wheat board always makes the suggestion that more subsidies should be given to the millers of wheat. The minister never thinks of giving subsidies to the consumers of this country. This would help to increase the consumption of our flour and wheat in Canada as far as our domestic market is concerned. At the same time it would protect the wheat trade in the world market.

[Mr. Horner (Crowfoot).]

Every member of this House is willing to help Canadian farmers and the wheat market sell their product both inside and outside of Canada. Canadian consumers are at the very end of all the production in our country, including wheat, flour and bread.

I am surprised that at no time does the minister suggest helping the consumers to buy that wheat or bread at a cheaper price than they pay today by subsidizing the end where the production goes, the consumers of this country. This is why the Social Credit party has been advocating a compensated discount for many years. This would cut the price of bread by 20 or 25 per cent, after the government has agreed with the retailers of this country not to increase prices. With a compensated discount to the retailer, consumers would pay 25 or 30 per cent less than what they pay today. In this way we would have better distribution of our bread and wheat.

The minister is trying to find a solution. He never finds a solution. This is why we suggest the minister, the wheat board and the government accept the Social Credit suggestion of a compensated discount to the retailer, so that the consumers of our country will be satisfied and the producers will be assured of selling their production, first to the domestic market and second to the world market. In this way they would be competitive with every other country in the world.

The Acting Speaker (Mr. Laniel): Order, please. The House will now return to the consideration of the third reading motion on Bill C-208.

GOVERNMENT ORDERS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT TO SUSPEND OPERATION OF ACT

The House resumed consideration of the motion of Mr. MacEachen that Bill C-208, to suspend the operation of the Electoral Boundaries Readjustment Act, be read the third time and do pass.

The Acting Speaker (Mr. Laniel): When the House rose at six o'clock, the hon. member for Peel South (Mr. Blenkarn) had the floor.

Mr. Don Blenkarn (Peel South): Mr. Speaker, before the House rose at six o'clock I said I was only going to speak for a very few moments because I had spoken on the second reading debate and on the motion to amend this bill. I was very disappointed the House did not accept the amendment because it would have solved some real problems.

● (2020)

Mr. Knowles (Winnipeg North Centre): Order!

The Acting Speaker (Mr. Laniel): I would remind the hon. member that it is not proper for him to comment on a

vote or on a decision which has already been taken. I hope he will return to the consideration of the bill before us.

Mr. Blenkarn: I am disappointed that the House does not wish me to explain my position, as one who represents people living in urban areas. It seems the urban parts of Canada sometimes get pushed around here.

I am also disappointed that the hon. member for Winnipeg North Centre (Mr. Knowles) should have suggested to Your Honour that you ought to intervene. I was about to indicate to the House that those who live in urban Canada do appreciate the position of people who come from rural areas. It is clear to me from the speech made by the President of the Privy Council (Mr. MacEachen) that the whole question of redistribution is now being thrust back into a cocked hat. The efforts which have been made year after year, census after census, to deal with the growth in population and with changes in the distribution of population, culminating in the act passed in 1964, are to be thrown out of the window.

A number of difficult issues have been presented to the House. The first is the question of amendments to the British North America Act involving the minimum representation that each province should receive. I made a suggestion earlier as to the manner in which this might be approached. Then there was the question whether the independent commissions have done their work properly in accordance with section 13(*b*) of the act. Did they really pay attention to 13(*b*) in some parts of Canada? This should be a relatively easy matter for the House to determine. The President of the Privy Council suggests that the bill before us, by imposing a hiatus, will resolve this difficulty. I am not sure it will, but at least it is an attempt to do so.

We have heard the suggestion made a number of times during the debate that members of parliament do not represent people at all but represent areas of land. I say to you, Mr. Speaker, what I said during the debate on second reading. I do not represent areas of land, or apartment buildings, or airport runways, any more than the hon. member for Parry Sound-Muskoka (Mr. Darling) represents areas in the province of Ontario called townships. He represents people and I represent people.

The people of urban Canada are prepared to say that the size of some urban constituencies does give rise to difficulty, and that the use of the permitted 25 per cent variation is the way to deal with this situation. That is what the act says, and this is what should be done. But apparently in certain areas some people are not satisfied with this provision. They say that because their community has always been represented by a member of parliament in the past, it should always be so represented in the future and that is all there is to it. Even if their community does not grow as the rest of Canada has grown, or fails to grow in the same proportion, they feel they are still entitled to the same representation.

This amounts to saying that the size of the House should be increased by a large number of members every decennial census. Because as I have already pointed out in this debate, the population of Canada has doubled since 1940. On this basis, if we had started back in 1940 with 245 members, the House would now consist of 590 members. So an approach of this kind is not a solution.

All of us, as members of the House, like the status quo. Usually we all like the comfortable pew. We do not really desire change that much. But change is taking place in our society. There is movement of people away from the country. Or, rather, the increase in our population is in the urban areas. And it is a huge increase. We shall not find a way out of this dilemma by ignoring all the effort and energy expended over the years since confederation in working out a reasonably fair, independent-commission-oriented redistribution act just because some people in this chamber say they may have to do more work, that they may have to represent more people. That is the way it is. Canada is growing. Members of parliament will have to represent more people and they will have to work harder. One of the reasons redistribution is necessary is to spread the load more evenly.

Trees do not write letters. Rivers do not write letters. Shorelines do not write letters. Roads do not write letters. It is people who write letters. It is people who wish to make their views known. To suggest that people in certain parts of Canada have less to complain about because they are crowded together in highrise apartments is utter nonsense. I can understand the inconvenience encountered by members whose ridings are being increased in size. Of course there will be an increase in their workload. And to the extent that my constituency, along with others, would be reduced in size, the workload would be reduced. But this is the way Canada is going.

Canada is becoming a great nation. The way to reduce the impact of a heavier workload is surely not simply to add more members to this chamber. No, Mr. Speaker; the solution lies in giving existing members the machinery and technical assistance which they will increasingly need. The leader of the Social Credit Party, for example, represents a huge rural riding. Is there anything wrong about supplying him with free airplane service around that constituency so that he can see his people? Isn't that what we should be doing? Is there anything wrong about seeing he gets the best facilities possible for telephone communication with his constituents? Perhaps this is the way we should be handling such a situation. He tells us his riding extends for 600 miles in one direction and an awfully long way in the other, and that it takes him 15 days to get round it. We must make it possible for him to get round that riding. This can easily be done in this modern age of fast transportation.

● (2030)

In throwing out the existing act—and we are throwing it out with the bath water—we are saying that our efforts in the 60's, in the Pearson years, to organize redistribution on a non-partisan basis, to get rid of the old gerrymandering, were wasted. Apparently we are prepared to go back to what we had before, to political influence, to what is called political input today. It used to be called gerrymandering; today it is political input.

These troubles have plagued us since confederation. One can read the kind of speeches which have been made in this debate in *Hansard* of previous years. The speeches were made up to the time of the passing of the bill.

Probably the kind of speech I am making has been made before. I remember, as a boy, reading the speeches of the right hon. member for Prince Albert (Mr. Diefenbaker), then representing Lake Centre. He spoke of the horrors of his riding disappearing. Apparently the fellows on the other side had stolen his riding and wanted to make sure he was defeated.

Is that the kind of thing this House wants? Does it want to get rid of independent commissions? That is what the President of the Privy Council (Mr. MacEachen) is talking about; that is what he is saying in going through this exercise.

An hon. Member: No.

Mr. Blenkarn: Well, what is he saying? Is he not saying to the people of urban Canada, "People of urban Canada, your voice will not be heard in proportion to your numbers in the House of Commons." Actually their representation will be nowhere near proportionate to their numbers. He is also saying, "While your ridings will grow in size and your communities increase in population, we shall not do anything until perhaps after the 1981 census."

I know that this bill seeks to set aside the provisions of the act for 18 months, but this review process will take much longer. All the things we have talked about will be rehashed. Indeed, we may as well say that there will be no redistribution as a result of the 1971 census. Perhaps something will happen after the 1981 census. Really, the minister is saying to urban Canada, which is growing, which is developing, which is faced with problems, that it will not be treated fairly, that it will not get equity. Even though urban Canada is prepared to say, "Give some areas a better break," urban Canada is not to be treated with equity. That is the issue before us this evening. That is the issue in this bill.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I want to say a word or two on this bill and on what the previous speaker said about representation. He said, for instance, that we do not represent pieces of land, that we do not represent telephone posts. He is quite right. At the same time I think he should have emphasized more the existing differences between rural constituencies and urban constituencies.

For instance, comparing his constituency of Peel South with mine, I note that it is quite different. His constituency is made up of people doing more or less the same kind of work. Socially, I do not think he has any problems, as most of his voters do roughly the same type of work. On the other hand, in my riding, which is 250 miles long, there are miners who are completely different from farmers; but there are also farmers who are different from forestry workers. And there are forestry workers in my riding. In the southern part of my constituency there is forestry, in the middle part there is farming, and in the northern part there is mining. So I must represent all these sections of the population.

I am not the only one in that category. Other representatives in this House of rural ridings are faced with the same social problems in their constituencies.

Representing people in our constituencies is different from representing, say, 50,000 people in Peel South, which can probably be covered in a journey of less than two miles.

Mr. Blenkarn: No.

Mr. Caouette (Témiscamingue): Representing those 50,000 people is quite different from representing the 50,000, or even 25,000, in a rural riding which stretches for 250 or 300 miles, which is the case in northern Ontario, parts of Saskatchewan, Manitoba, and northern Quebec. For instance, the hon. member for Abitibi (Mr. Laprise) represents about 32,000 voters, but he has to fly, or drive 600 miles if he wants to go from one end of the riding to the other. This is nonsense.

That situation is completely different from the situation in which the hon. member for Peel South (Mr. Blenkarn) finds himself. In the Toronto area you could add Peel South to York South and one member could cover the whole constituency. Because while we rural members are travelling from one end of the constituency to the other, the urban member can sit in his office in his riding.

The hon. member told us a moment ago that we do not receive letters from townships or villages; we receive letters from people. That is true. Yet I will bet my life that I receive more letters from my riding than he ever gets from his riding, even though he represents three times the number of voters that I represent. I could go to the postman downstairs and ask him to make comparisons, and I would bet my life that I get more letters from my riding than he gets from his.

Mr. Whelan: About 10 times as many. It is about 10 to one.

Mr. Caouette (Témiscamingue): The Minister of Agriculture (Mr. Whelan) says that the ratio is about 10 to one. Let me say this to the Minister of Agriculture: I think I receive more letters from Peel South than the hon. member representing the riding receives. So it is not a matter of not accepting redistribution. However, I am completely against an increase of seats in big cities. The member can be there day after day when the House is not in session, or when it is he can be in his office on Saturday morning, if he wants to be. On the other hand, if I want to be in my office in South Témiscamingue on Monday or Saturday, I have to drive from Rouyn to South Témiscamingue, a journey of 150 miles which takes me a good four hours.

Mr. Blenkarn: Come now. The hon. member drives faster than that.

Mr. Caouette (Témiscamingue): You must observe the speed limit there.

Mr. Blenkarn: Does the hon. member observe the speed limit?

Mr. Caouette (Témiscamingue): Well, I have to drive four or three hours.

Mr. Blenkarn: Say, two hours.

An hon. Member: The roads aren't very good in the area.

Mr. Caouette (Témiscamingue): I will say about three hours, to be honest. That only leaves me two or three hours for the people of South Témiscamingue, and I have to drive home at night. I have to drive for six hours. During that time the hon. member for Peel South can receive hundreds of people in his office in Peel South.

It is not a matter of my wanting urban people to be deprived of their rights. I want them to be very well represented in the House of Commons, but not to the detriment of our farming districts or to the detriment of our rural constituencies in Canada. This is the reason I am willing to allow as many months as we need to study the matter very deeply and seriously, instead of playing politics with it and saying they are cutting out this village from that district because part of the riding is Liberal, another part Conservative, another CCF and so on.

● (2040)

I do not think the independent commission will play it that way, but I do hope that it will invite us to take part in this before it takes any decision in so far as redistribution is concerned. I will go along with this not for political purposes but for a decent and fair representation in this House of Commons.

Motion agreed to and bill read the third time and passed.

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IMMIGRATION

MEASURE RESPECTING CERTAIN IMMIGRATION LAWS AND PROCEDURES

Hon. Robert K. Andras (Minister of Manpower and Immigration) moved that Bill C-212, respecting certain immigration laws and procedures, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, I should like to start by assuring hon. members of this House, who may be rather surprised to see me back so soon again with another bill dealing with immigration, that I am not trying to presume on the goodwill and the all-party co-operation that existed when Bill C-197 was before the House a few days ago. I have to be honest and tell them I am somewhat surprised to be here in this situation, but two recent and unexpected events threaten to weaken substantially the very foundation of progress in immigration matters after the all-party support of Bill C-197 and really would have the effect of sending us back to square one.

As hon. members will no doubt recall, the change in the immigration regulations of last fall, which revoked section 34 of those regulations, was intended at that time to prevent would-be immigrants pouring into the country in the guise of visitors, with the intention of seeking landed immigrant status once they got here on the strength of regulation 34. In recalling this, hon. members will also remember that one of the goals of Bill C-197 was to ensure that from now on refused applicants for landed immigrant status would not be able to stay on in Canada with impunity or be subject to delay in getting a decision about their appeal.

During the debate and study at all stages of Bill C-197, I certainly sensed a general agreement in this House that Canada must have the right to screen future residents of this country before they establish residence here, and indeed that those who fail to pass that screening should not be able to stay here in defiance of Canadian immigration policy.

The two events to which I have referred which threaten to undermine the efforts of parliament to restore order to the immigration process are two recent decisions interpreting immigration law, one by the Immigration Appeal Board within the last two weeks or so, and one by the Federal Court of Appeal just prior to that.

In the process of discussing these decisions and their implications I want to emphasize I in no way wish to criticize the Immigration Appeal Board or the Federal Court of Appeal for either decision, although I do in fact disagree with them. Both those judicial bodies have the responsibility to interpret the law as written and as they see it. Certainly in meeting that responsibility quite clearly it is the text of the law which they must interpret and not necessarily the intent of the government in drafting that law.

The problem we now face is that either of these decisions alone could have a very serious impact on the administration of immigration law. When put together, just as we are about to put a new immigration policy into effect, the result is that their combined effect would be that the administrative system would be hopelessly overburdened and that in fact the props would be knocked from under all our efforts to restore order to the immigration process.

The result of the Immigration Appeal Board decision, to put it in the most simple and practical terms possible, is to restore the effect of regulation 34 which before its revocation enabled visitors to apply and qualify within Canada for landed immigrant status. When this regulation 34 was revoked last November or last fall, the companion regulation dealing with visa requirements, regulation 28(1), was also amended to require that immigrants, whether seeking admission at a port of entry or applying for landed immigrant status after entry in another category, must in fact have an immigrant visa. As hon. members know, immigrant visas are issued only at posts outside Canada. Short of amending the Immigration Act itself at that time, this was the only means at our disposal for heading off a continued flow of applications by visitors landing in Canada in spite of the revocation of regulation 34. Lacking a visa, applicants in Canada could, as a result of this amendment to regulation 28(1), be reported for special inquiry which could lead to an order for deportation.

The Immigration Appeal Board has now ruled in its recent decision that the amendment of the regulation dealing with immigrant visa requirements went beyond the power that the Immigration Act gives the governor in council to make regulations. In legal terms this decision, if upheld, could mean that applicants in Canada would not be required to have immigrant visas, which also means that the last legal hold on them would be thus lost. In practical terms, as I have mentioned, it would mean that the effect of regulation 34 would be restored—in fact the situation would be worse than when regulation 34 was

valid—and that some 1,750 appeals against deportation orders may be upheld because the orders were made on grounds that the board has now had occasion to find to be legally invalid.

● (2050)

The second decision, that of the Federal Court of Appeal, deals with applications made under regulation 34 before it was revoked. Putting that decision in simple terms, it says that my department has had no jurisdiction over these many years to make deportation orders against persons who applied for landing in Canada and who after examination were in fact refused. In this case some 10,000 appeals against such deportation orders before the Immigration Appeal Board are affected.

In light of this federal court decision, all of these applications could be allowed. We have always taken the position, in the belief that it was fully supported by the law, that a person who applied in Canada for landing under regulation 34 ceased in fact, in legal terms, to be a non-immigrant and was reporting for examination as required by subsection 7(3) of the Immigration Act. That position has been backed up for many years by judicial decisions. The recent federal court decision that is now giving us trouble reverses those prior judgments.

The key subsection 7(3) of the Immigration Act reads:

> Where any person who entered Canada as a non-immigrant ceases to be a non-immigrant or to be in the particular class in which he was admitted as a non-immigrant and, in either case, remains in Canada, he shall forthwith report such facts to the nearest immigration officer and present himself for examination at such time and place as he may be directed and shall, for the purposes of the examination and all other purposes under this act, be deemed to be a person seeking admission to Canada.

This subsection, together with succeeding sections of the act, gave authority, which we still hold to be valid, for an applicant's examination as an immigrant, in the legal sense of the word, defined in the act as "a person who seeks admission to Canada for permanent residence". It was from this that the authority came, if the applicant failed to meet the requirements for landed immigrant status, for his or her referral to a special inquiry officer and for the making of a deportation order if the special inquiry officer found that this was warranted.

However, the Federal Court of Appeal has now ruled that a person who applied under regulation 34 while it was in effect until November of last year did not lose his non-immigrant status. According to this ruling, again if it were upheld, the application was not the report referred to in subsection 7(3), as we had believed, and consequently there was no authority for the special inquiry or deportation order.

I do not think it is necessary for me to draw a picture for hon. members of what the consequences of this would do to Canada's image of a country able to control the admission of immigrants to this country, or to the horrendous workload which these two decisions could impose on the administration of our immigration system, coming at a time when the House would not, under ordinary circumstances, be in session, at a time when we have just introduced the adjustment of status program, with the special workload that that will entail, and also at a time when the tourist season is at its absolute peak.

[Mr. Andras.]

Under both decisions we would be faced with a huge backlog of cases to reassess in light of an uncertain legal position. Under one decision we would be faced with another inundation of false visitors, such as we experienced last year. I would remind hon. members that we reached the peak one October weekend last fall when some 4,500 people arrived by plane at Malton, ostensibly as visitors but mostly with the intention of staying in Canada. This inundation of visitors that we experienced last year will most likely be repeated as these decisions become known around the world, and that will be very quickly, as I find is the case as I get experience in this portfolio.

This whole thing adds up to the fact that the new provisions of Bill C-197 will never get off the ground. I have some consideration for the disappointments that would arise as a result of the false hopes and expectations of people abroad, often very innocent people, who would act upon this and come to Canada, when it really is this Parliament's intention not to repeat the experience that we tried to correct the other day in Bill C-197. I would also draw to the attention of hon. members the danger of the exploitation of many innocent people by unscrupulous so-called immigration counsellors, who could take the substance of these decisions and convince innocent people to come to Canada, many of whom in countries we can all name and who would do anything to come to this country to get away from the circumstances in which they are presently living.

That is not a happy picture. As I emphasized earlier, I mean no criticism of the Immigration Appeal Board or the Federal Court of Appeal. As the minister responsible, I am seeking leave to appeal both decisions and I would be quite prepared to take my chances on the outcome of those appeals, assuming leave to appeal is granted. But I do not think we can collectively, as parliamentarians, afford to risk the possibility, under the circumstances that I have described of this House not being in session and of it hitting us when the peak load of genuine visitors are coming to the country, that leave may not be granted. Nor do I think we can risk the possibility of having to wait out a period of several months at least during which time these appeals are being considered.

I am acutely aware of the fact that, having just emphasized to hon. members the urgency of Bill C-197, I am again making a similar plea in favour of quick action for this legislation. I know that I could soon begin to sound, if I kept this up, as if I were crying "wolf". But I do think that the room that has been made in the timetable of this House, under these circumstances and at this stage of the session, speaks eloquently for the government's view of the emergency that faces us.

Bill C-212, to put it briefly and in layman's terms, seeks the sanction of Parliament for the regulation stipulating that all immigrants, in the sense of the word as defined in the Immigration Act, must have immigrant visas, no matter where they undergo examination. It would give the sanction of Parliament to the long established understanding that people who applied for landing under former regulation 34 did indeed cease to be non-immigrant and became immigrants, thus subject to examination and, as necessary, inquiry and a deportation order. Perhaps most

important, it would apply to all cases already dealt with by administrators but not yet finally concluded on appeal.

● (2100)

There are two important observations I would like to make at this point. First, I have always felt, and I am sure many hon. members would agree with me, that legislation that is in any real sense retroactive, unless of course it confers retroactive benefits, which nobody objects to, is repugnant. By retroactive legislation in that sense I mean basically a retroactive change in the rules of the game.

I must recognize that this bill, in an extremely legalistic sense, could be regarded as retroactive because it applies to persons who had been reported for special inquiry, or ordered deported, before it was introduced. But really, Mr. Speaker, I think those who examine the bill and sense the intent will realize that, rather than seeking to change the rules, it seeks to maintain the rules as they have been operating for many years—in the case of regulation 34 from its introduction six years ago in 1967 to its revocation in 1972.

The fact is that the rules for which this bill now seeks the ultimate sanction of Parliament, under the circumstances of emergency that I have described, are the rules that have been known and have been applied to all who have come to this country as non-immigrants and who have later sought permanent residence. The bill takes from no one any right that she or he had once enjoyed or had any real reason to expect to enjoy.

I also want to emphasize, re-emphasize and underline that nothing in this bill will affect the adjustment of status program that was included in Bill C-197. I really cannot stress too much or repeat too often that people should have no fear that their eligibility to register for that program, which is about to be launched and which had universal support in this House, will in any way be impaired by the provisions of Bill C-212. This legislation simply does not apply to people eligible for that program, and it will go forward as planned.

Before I conclude my opening remarks in this debate, Mr. Speaker, I do want to call attention to the fact that a minor typographical error was made in printing, of which I will seek correction in committee.

I think I could sum it up by saying that Bill C-212, through force of circumstances—recent decisions of the court—has become a necessary companion piece to Bill C-197. Without it, Bill C-197 might well fail to achieve the objectives we all agreed upon we wanted to seek. With this bill, if it meets the approval of hon. members, conversely Bill C-197 is virtually assured of success. In that light I would be very grateful if all members would give this bill their urgent and, I hope, their favourable consideration.

Mr. Baldwin: On a point of order, Mr. Speaker, I wonder if I could suggest to the minister at this time that he might like to ask the House to engross an agreement that I believe has been reached, that the bill be dealt with in all its stages in this House. There have been some discussions along those lines, and it might be agreeable to have that done now.

Mr. Andras: I would be most grateful if that found merit, and we received the sanction and unanimous consent of the House to proceed with all stages right here in this chamber, in the appropriate manner.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Deputy Speaker: It is the suggestion of the hon. member for Peace River (Mr. Baldwin), and it seems to have the agreement of the House, that the motion, when presented later this evening, should direct that the bill be read a second time and referred to a committee of the whole. Is it agreed that this change be made in the motion that the minister is presenting to us?

Some hon. Members: Agreed.

Mr. Ron Atkey (St. Paul's): Mr. Speaker, on behalf of our party I want to make it clear from the outset that we are going to make every attempt to co-operate with the minister and the government in helping him and them out of the predicament in which they now find themselves.

I think it would be irresponsible on our part to put up a strong opposition to this remedial type of legislation to get the government out of a jam resulting from a court decision. Nevertheless, I think it would be less than responsible of the opposition if we did not take this opportunity to comment on the general procedures by which immigration law has been made and administered in this country, going back to the original source of legislation in this field, as far back as 1952.

To put the point very briefly, Mr. Speaker, I would suggest that the mess that the government now finds itself in as a result of two court decision which were made according to law, and which in my judgment are reasonable decisions, is a product of the fact that regulations have been made under this act, first enacted in 1952, which in many respects were never anticipated by that act.

This is one of the classic situations where the government has made laws by regulation. I think it is cited by lawyers throughout the dominion as the prime example of some of the dangers of law making by regulation, away from the scrutiny of Parliament, away from the public, done for supposed reasons of expedience, speed and flexibility, but with many inherent dangers which I will outline to the House later.

Indeed, I suggest that the bill we have before us is in many respect an admission by the government that the structure of regulations that it has built up since 1952, not in any orderly fashion but on the basis of mere ad hocery, may well be on the verge of collapse. I wonder, particularly in the next few months when this House is not sitting, what other judgments the Immigration Appeal Board and the Federal Court of Canada will hand down which hold that certain regulations are *ultra vires* the legislation which supposedly gave authority for them to be made.

It might be appropriate at this time to go back to some first principles in law making, which from time to time seem to have been forgotten by the government in the administration of the act. I take as my point of departure a study that is well known in the field of administrative law. Formally it is known as "A Report of the Committee on Ministers' Powers," made in 1932 in the United King-

dom and commonly referred to as the Donoughmore committee. It is a very relevant subject matter which I know a committee of a previous parliament had occasion to deal with when considering the whole subject matter of statutory instruments, a committee chaired by the hon. member for Windsor-Walkerville (Mr. MacGuigan) and which reported two or three years ago.

● (2110)

To refresh the memories of some hon. members on what the Donoughmore committee said, I am going to quote briefly from the section called "Summary of Arguments of the Critics of Delegated Legislation", or law-making by regulation. That committee at page 53 of the report suggested that:

> Acts of Parliament may be passed only in skeleton form—

As the 1952 act was.

> —and contain only the barest general principles. Other matters of principle, transcending procedure and the details of administration, matters which closely affect the rights and property of the subject, may be left to be worked out in the departments, with the result that laws are promulgated which have not been made by, and get little supervision from parliament. Some of the critics suggest that this practice has so far passed all reasonable limits, as to have assumed the character of a serious invasion of the sphere of Parliament by the executive. The extent of its adoption is, they argue, excessive, and leads not only to widespread suspicion and distrust of the machinery of government, but actually endangers our civic and personal liberties.

I believe those words were relevant in 1932 and they may well contain lessons for those of us wrestling with the problems before us in 1973.

I refer to another comment of the Donoughmore committee. The committee suggested that delegated power may be so loosely defined that the area it is intended to cover cannot be clearly known and uncertainty of this kind is unfair to those affected.

Again, Mr. Speaker, I suggest that is a relevant commentary on the immigration laws and form of regulations that we have had in this country. As proof of the pudding let me refer to the rather landmark regulations that were introduced by a former minister of manpower and immigration in 1967 and outline to the House the broad and expansive scope of those regulations which, in my opinion, should have been introduced in the form of legislation—legislation which was consistent and which contained clearly defined and enunciated principles for members of the committee and members of the House to follow.

I am going to refer to a release from the office of Manpower and Immigration in 1967 which purported to explain those regulations to members of the House and members of the public. But before I get into the particular problem of what the minister thought he was doing by introducing those regulations, I should add that Parliament passed companion legislation called the Immigration Appeal Board Act. That was the first Immigration Appeal Board, set up in 1967, which in my view negatived any argument that it was impossible to monitor the conduct of Parliament even to introduce such regulations.

First, in 1967 the minister purported to suggest that by regulation—not by law but by regulation—he would set up an assessment system to permit immigration officers to apply the same standards to potential immigrants from all areas of the world. A pretty significant statement and a pretty significant enactment, but done by way of regulation!

Second, the 1967 regulations formula confirmed that Canadian citizens or permanent residents of Canada were entitled to bring their dependants to Canada. Again, an important matter of principle contained in regulations.

Third, in 1967 the regulations established that the privilege given citizens or permanent residents to apply for other more distant relatives to come to Canada was to be extended to all areas of the world, and new classes of relatives were to become eligible for this assistance. Again, an all-embracing matter of principle incorporated into law without the benefit of parliamentary scrutiny.

Finally, there was the linking of the selection standards to conditions within Canada to ensure that a flow of immigrants was made possible and was more closely related to the economic requirements of Canada. Very sweeping and significant measures, Mr. Speaker, not adopted by law but by regulation.

Well, Mr. Speaker, we find the government today, in 1973, the victim of its own law-making processes which have been perpetuated now for 24 years. I think it is high time we had a change in thinking as to the way in which our immigration law is to be made. I am not too sanguine that we are going to have a change in thinking, however.

I was impressed by a comment made by the former minister of manpower and immigration, now the hon. member for Verdun (Mr. Mackasey), when he was speaking in this House on Bill C-197 and commenting on his experience as a former minister. If I may quote him to hon. members, on June 22, 1973, as reported at page 5034 of *Hansard*, the hon. member said:

> I want to speak really of my own experience in a non-partisan way, provided the opposition will let me do that.

Well, we will let him, Mr. Speaker.

> I hope what I say will be considered constructive criticism relating to a very important department of government. When I assumed the role of minister of immigration I also assumed an archaic, outmoded law which had been adopted in the year 1952. It was hardly a set of rules that was suitable to meet the challenge of a contemporary society.

What an admission, Mr. Speaker.

> So, consequently, as some of the lawyers in this House know ... many of the practices of the past three years have been based on regulations rather than on any concrete, specific provision within the law of 1952.

And then here is the great statement of prophecy of the hon. member for Verdun. I am sorry he is not here tonight. He said:

> Regulations do have a tendency to run well beyond the intent of the law.

It is almost as if he had read the judgment of the Immigration Appeal Board that night and was sorry for what had happened. But what a statement of prophecy, Mr. Speaker. I was also impressed—and I say this as a credit to the present minister—when in committee he indicated that perhaps we may have some change in direction in law making on the part of the government in this field. He did say he was not going to make the usual sort of statement that about eight ministers had made before

him, that we were going to have a complete review of immigration policy and perhaps new regulations. He said he was going to have a green paper, and then continued:

Therefore, it is my intention to have produced a public document that will raise a number of essential issues which have to be determined in the establishment of a long term immigration policy. This document will be designed to encourage a response from all sectors of the community who have an interest in such a vital subject. When we receive this variety of views, we will be in a position to recommend to Parliament legislation that should provide a basis for an immigration policy to meet Canada's future needs.

Mr. Speaker, I say hallelujah—a commitment from the minister to have legislation. I want to assure him that I and members of this House will hold him to his word. But it must not be skeleton legislation. It must consider the principles, rights, privileges and obligations of the people of Canada in their broadest and most public form possible under our law. As I say, Mr. Speaker, we will hold the minister to his word.

In committee, pursuing the discussion of Bill C-197, an act to amend the Immigration Appeal Board Act, there was another interesting exchange which I think should be brought to the attention of the House. This is the question, I think treated rather facetiously by the minister at the time, which was put by the hon. member for Hamilton West (Mr. Alexander). He questioned a particular subsection in the Immigration Appeal Board Act in which the governor-in-Council was given power by regulation to amend or vary any regulations made under the Immigration Act. The hon. member for Hamilton West, quite rightly in my view, questioned whether it was proper in the legal sense in one act to be granting authority to amend or vary regulations in another act. The minister and his deputy, who was present at the time of course, replied that they had had legal opinions that it was quite proper to include that particular clause in the legislation. I cannot help but quote the minister's statement at that time. He said:

May I just say, Mr. Alexander, that I hope and pray you will never be in a postion to say, "I told you so"—as a slight aside to my legal advisers.

● (2120)

The hon. member for Hamilton West is not here, so I am going to take this opportunity to say on his behalf, "I told you so".

There is one last matter which I think is important. It deals with another important act which was a product of the last Parliament. I refer to the Statutory Instruments Act. That was a product of a recommendation by a committee which was ably chaired by the hon. member for Windsor-Walkerville (Mr. MacGuigan). That act created a number of obligations on the executive to ensure that proposed regulations were properly perused, scrutinized, publicized and reviewed, with the object of ascertaining their legality before becoming law and affecting the rights of people.

In particular, I want to make references to section 3 of the Staturory Instruments Act. I might say that was law at the beginning of November when the purported repeal of section 34 of the regulations and the amendment to section 28(1) of the regulations took place. Section 3 requires, and I quote:

Where a regulation-making authority proposes to make a regulation it shall cause to be forwarded to the Clerk of the Privy Council three copies of the proposed regulation in both official languages. . . .

—the Clerk of the Privy Council, in consultation with the Deputy Minister of Justice, shall examine the proposed regulation to ensure that

(a) it is authorized by the statute pursuant to which it is to be made;

I ask the minister to indicate in committee whether this was in fact done. Was there in fact a proper examination by the Clerk of the Privy Council, in consultation with the Deputy Minister of Justice, to see whether the amendment to regulation 28(1) was authorized by section 57 of the Immigration Act? Or was it the case, as it states in subsection (b), that:

—it does not constitute an unusual or unexpected use of the authority pursuant to which it is to be made;

To my knowledge, we have not tested the provisions of the Statutory Instruments Act. This may be a good opportunity to begin.

I would be very interested, as would other hon. members, in hearing the minister's comments as to the extent to which the Statutory Instruments Act was complied with. To my mind, it raises some suspicion as to whether the whole process of decision making by regulation in the government really complies in substance and in fact with the Statutory Instruments Act.

This matter will, of course, be the task of the statutory instruments committee, which is a standing committee of this House and the Senate. As a member of that committee, I look forward to participating in the scrutiny of that which Parliament designates it to do. This is an opportunity we ought not let pass on the bill before us.

In conclusion, I may say it was a make-shift manner in which the government introduced the November regulations. It was done hurriedly, rather like a guillotine. Possibly the government did not have much time to give any thought to the regulations prior to October 30. They were engaged in other things. As I said at the outset, what we have here is a classic example of the danger of law making by regulation. I think this will become a very valuable lesson for future governments and future Parliaments.

Our party will co-operate with the government in seeing that this bill is quickly passed through all three stages in order that we can, as the minister suggested, achieve the objectives that the recent amendments to the Immigration Appeal Board Act sought to achieve.

Mr. John Gilbert (Broadview): Mr. Speaker, it is my intention to take a very few moments to outline the position of this party with regard to this bill.

The reason for Bill C-212 is two decisions, one of the Immigration Appeal Board and the other of the Federal Court of Canada, both of which made a very strict legal interpretation of the act and regulations. I recall that when we set up the Immigration Appeal Board in 1967, it was to be a court of record rather than an administrative body. There was some debate at that time about whether we should make it that. Since the time it was set up it has developed a body of law. I might say it has helped lawyers who prepare and present cases before the Immigration

Appeal Board. However, it seems the Immigration Appeal Board is serving as a half-way house between an administrative body and a court of record.

I do not intend to cast any reflection of the Immigration Appeal Board because the composition of that board and its work has been excellent. They have developed a good body of law. They have made it very easy for appellants to appear before them and present their case in a strictly non-legal way. That was probably our intention when we set up the Immigration Appeal Board. Sometimes in a court of law it happens that lawyers argue with regard to the admissibility of evidence and some of the strict legal points. Clients just cannot appreciate or understand the complexities of law and evidence. The Immigration Appeal Board attempted to overcome that when appellants appeared before them. As a result they have developed a very strong body of law and at the same time have tried to retain an administrative approach with regard to the tendering of evidence and so forth.

In both decisions the Immigration Appeal Board took a very strict legal interpretation. The result is that there could be chaos with regard to the cases before them. The minister indicated that if we were to follow the decisions of the Immigration Appeal Board and the Federal Court, nearly 12,000 cases would be in jeopardy, and this would destroy the good intent of Bill C-197 which was basically to clear up the immigration mess.

One of the fine features of the present government is that, every time they have a problem, five or six previous ministers have been involved and the problem has compounded over the years. With regard to immigration, we have had a tremendous mess. No person can really point a finger at one or more of the immigration ministers, especially the present minister and the hon. member for Verdun (Mr. Mackasey). It has been very awkward to pin down the responsibility for the problems that has developed over the past four or five years.

If any person has any appreciation of immigration problems, he will appreciate what has happened to our immigration laws over the past three or four years. Prior to October 30, places in Canada such as Montreal were being flooded by persons who came here for the obstensible purpose of being visitors, but really to get landed immigrant status. There was a tremendous flow of people, and this compounded the difficulty. On November 3, immediately after the election, regulation 34 was changed, with a related change to regulation 28. I think that had the N.D.P. or the Conservative party been in power at that time, they would have done the same thing. There was nothing else which could be done. With all these people in Canada, the government was obliged to take a realistic approach, and I think the contents of Bill C-197 embodies such an approach.

● (2130)

We now have a law which would give would-be immigrants presently in Canada the right to adjust their status. Most of them will probably remain here, and that is a good thing. The minister is before us tonight because of two difficult decisions, decisions which were probably correct in the strict sense of the law, but very difficult to apply in the field of administration. I hope that the Federal Courts

of Appeal and the Immigration Appeal Board do not regard this as a slap in the face reflecting on their own approach to the law. I hope they see that, if we were to follow those two judgments, the beneficial effects of Bill C-197 would be lost and we would find ourselves in a worse position than we were on November 3, 1972.

We in this party wish to co-operate so that we can get rid of the problem which exists at the moment, apply Bill C-197 to its full effect, and then get on to the next step. I wish I had understood the erudite exposition of the hon. member for St. Paul's (Mr. Atkey) concerning the regulations and so forth. This is why we have professors in the House, men who are strong on theory. We also have men who are experienced in practice. The member for St. Paul's presented an erudite exposition of the theoretical aspect of the regulations, and I hope the hon. member for Windsor-Walkerville (Mr. MacGuigan) will take up the challenge presented to the House, study the measure in depth and assist in coming forward with a solution.

More important, there is need for a long term program. The Minister has undertaken to study this question. He says he will make no rash promises as to the date upon which a new law may come forward, but he will look into the matter and see that something emerges by way of a study in depth. Once this has been undertaken it is up to us as members to relate our experience and thinking to it and bring forth an Immigration Act which will be applicable in 1974-75.

I think all Canadians want an act of which they can be proud, because immigration is really the keystone of a growing Canada. If we have a satisfactory act, one which can attract the right people, we shall continue to grow in prosperity and culture and this land will be better as a result. We in this party support the bill for those reasons.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, we do not intend to delay the passage of Bill C-212 because we believe it is very urgent to pass it in order to settle many cases of immigration in Canada. Increasing the number of members of the Immigration Appeal Board will be of great help, in my opinion, in solving, current immigration problems as soon as possible, and will also help prevent those which could occur in future and maybe as early as this fall.

Mr. Speaker, we will therefore give our complete support to the minister presenting Bill C-212, and we wish that this new act on the Immigration Appeal Board will contribute greatly to the introduction in Canada of select people, of people liable to become good Canadians. We need people who want to take part in the development of Canada. We want to have a larger population than we now have. Certain immigrants are desirable and I believe that, with an improved board, and one which will take care of them, these people will become good Canadian citizens and will contribute to the economic and social development of our country, which will be, I believe, to the benefit of all Canadians.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have to say some words on this subject although I know that by doing so I am preventing hon. members on the government

side from coming to grips with the amendments to the Criminal Code which will follow. I know they are tremendously anxious to do this, and I hate to stand between them and that legislation, but I do not think anyone really wishes to start on that bill tonight. Therefore, I hope that after the few comments I have to make, if we give this bill second reading it might well be your Honour would agree to see the hands of the clock at the magic hour of ten.

A short time will probably be taken tomorrow in discussion in committee of the whole stage. There will be some questions to ask. The bill will, I think, be passed on Friday, though I do not know about its passage in the other place. Maybe the minister has some assurance from the other place as to their state of readiness, whether they are sitting tomorrow. I do not know what their habits are. The hon. member for Winnipeg North Centre (Mr. Knowles), who is a more assiduous observer of the habits of the other place than I, may know exactly what they are doing.

Mr. MacEachen: They are sitting tomorrow.

Mr. Baldwin: Well, they will be able to bring the bill on for consideration some time tomorrow.

The minister will expect to be chastised. He has been chastised only mildly so far. Not because of what he himself has done. It is unfortunate for the minister that he is the last of a long line of ministers who have really done some terrible things affecting the immigration practices of this country. I do not know how many ministers we have had. If we look over the last 10 or 15 years we find that the department of immigration has been a stepchild. This has resulted in a tragic situation, one from which we are now suffering. The present minister is, I think, trying to do a good job. I do not blame the civil servants; they have lacked ministers who could give them effective direction. Of course, I am not criticizing the minister personally. He must be given credit for coming forward promptly and saying mea culpa, admitting he was wrong and asking for a remedy.

● (2140)

In his speech tonight the minister said words to the effect, "A couple of decisions are giving us trouble." I sympathize with his position. When I practised law I disagreed with every decision which went against me.

An hon. Member: The hon. member does not disagree with the decisions of the Chair.

Mr. Baldwin: I may disagree with those decisions too, but am not allowed to say so. The minister also said something like, "We are not going to repeat the experience." I do not know whether the "we" refers to the ministerial "we" or the parliamentary "we". As it is not a parliamentary experience to which the minister is referring, surely he is speaking of a government experience. That must be made plain.

As to disagreeing with decisions that give us trouble, let us recognize that the rule of law and of Parliament is supreme. That fact is often forgotten. Let me recount something that happened a short time ago. This story may be irrelevant, but it bears on the attitude of this government. In Yellowknife a judge who is a good friend of mine, Mr. Justice Morrow, was engaged in a case, an issue with which, under the law, he had a right to deal. He was properly seized of jurisdiction. The government, fearing what he was likely to do, or fearing his decision, went before a judge of the Federal Court and asked for an order of prohibition which would prevent Mr. Justice Morrow from hearing the case.

That was not right. Merely because you do not like a judgment or what a judge will do or has done is no reason for saying, "This is bad; this is hurting what the government has done." I do not believe in that, and I do not think other members of the House do. The minister does not take that attitude as an individual, but that has become part of this government's thinking. Of course, in the not too distant future when we form the government, we may adopt the same attitude. However, I do not think so and hope not.

I remember when the present Minister of Consumer and Corporate Affairs (Mr. Gray), who was then a private member, sat on a committee of this House and of the other place, established in the fall of 1966 and commencing its deliberations in November, 1966, on the issue of immigration. That was a good committee. It heard many witnesses. It did not have the great urge to travel, as is the case with many committees now, but it nevertheless went to Toronto and Montreal and heard briefs from many groups representing ethnic organizations and other organizations in the country. It called the minister responsible at that time, who is the present Minister of Transport (Mr. Marchand), and the deputy minister, who has gone on to greater things under the aegis of the President of the Privy Council (Mr. MacEachen).

I had not been in the House for too long then and was still fairly innocent. I thought the committee would do something. The government had said, "The Immigration Act passed in 1952 is giving us great trouble. We want to examine important areas of concern to do with how the state should exercise its prerogative in selecting people, what manner of people should come into this country, and under what circumstances." We sat from November until May, 1967. As I said, the present Minister of Consumer and Corporate Affairs was a good member of that committee, not having suffered as a result of becoming a minister; he was then a private member. Probably when he comes over to my side of the House, he will once again become a good member.

The committee did not make too many recommendations, having been advised against it. We discussed lots of issues. I well remember the first appearance of the present Minister of Transport before that committee. He said, as recorded on page 9 of the evidence taken on November 15, 1966:

> The deliberations of this Committee will, I hope, lead both to Parliamentary action, revising the basic legislation needed in immigration and also to administrative arrangements and procedures that will receive the widest possible support from the Canadian people.

Both the minister and the deputy minister wanted to distract attention from the fact, as became evident shortly after, that they were engaged in processing the passage of the Immigration Appeal Board Act which has created the

difficulties in which the government now finds itself. That committee was a subterfuge.

Among the witnesses called was the present leader of the Conservative party in Manitoba, Mr. Spivak. I am not talking in any partisan sense when I say that when he appeared he made a tremendous impression on the civil servants and members of the committee. He made a good presentation and pointed out something which many of us had forgotten, namely, that immigration can and ought to be an effective economic weapon. Properly used, it can do effectively what this government has been trying to do without success for many years—deal with economic disparities in the country. He pointed that out and buttressed his presentation with evidence and facts. Members of the committee of all parties and the members from the other place as well were all impressed with what Mr. Spivak had to say.

I recall, in questioning Mr. Spivak, that a sensible suggestion was made. I am referring to the fact that, under the British North America Act, jurisdiction, over immigration is divided between provincial legislatures and the federal Parliament. I do not know if anyone has ever determined where the supremacy in this field lies. Certainly, the federal government has invaded the field and occupied it. Nevertheless, provincial legislatures are interested in the question of immigration.

I suggested that there ought to be a standing council, made up of federal and provincial ministers or civil servants and that they should look at questions of immigration. I do not know whether anything was done about that. I doubt it. I expect that recommendation was treated in the way all recommendations by that committee were treated.

On the last day of the hearings the present Minister of Transport appeared before the committee and told us what a tremendous job we had done, how thankful he was for our contribution, and how much would come out of it. He said, "Don't worry, you will be reconstituted next year and we will pay attention to your recommendations."

Apparently all this work was to lead to a new Immigration Act. This happened in 1967, 15 years after the last bill in this area had been passed. It is in existence today. The minister said, "Yes, we are going to accept your recommendations; we want new legislation." So the committee brought in its third report, which said in part:

> Your Committee therefore recommends that it be reconstituted next session and the evidence adduced during the present session, in both French and English, be referred to it, so that it will be in a position to pursue its work on this important matter, namely Canadian Immigration Policy.

● (2150)

That report was submitted by the chairman of the committee on May 8, 1967. We came back the next session and that committee was never reconstituted. Its recommendations withered on the vine. All the thousands of words of evidence that had been taken were simply scrapped and forgotten.

That is the trouble with this government and with the immigration department in particular. I have a great deal of respect for the officials of the immigration department. I have respect for the ministers, with some reservations.

However, Mr. Speaker, when it comes to questions dealing with immigration it lies with this Parliament, with its knowledge, experience and capacity, to interpret the views of the public with which they deal, to best suit the interests of this country in dealing with immigration policy. I think it has been a tragic mistake.

I suggest this is one of the reasons we have this difficulty today. What has been the result? The recommendations of the committee, as I have mentioned, were entirely forgotten. The Immigration Appeal Board was set up. It did a good job at first and then slowly, by order in council, by regulation and by decree, the widest possible licence was granted in respect of people seeking the right to come into this country or ultimately being in this country to be able to secure the right to ask to remain here. If they were then rejected, through procedures established by the act, they placed themselves on the assembly line of the procedure of appeal available through the Immigration Appeal Board Act.

As a result this backlog of thousands and thousands of cases was built up. Several situations ensued. There was a situation last year in which I was involved. I asked questions a number of times. I remember one particular occasion within the last 12 or 14 months when there was evidence that a man had not only been allowed to come into this country but in fact had been surreptitiously smuggled in by the government under an assumed name. This man was called Pershing Gervais, whose mottled history both socially and in criminal terms left an awful lot to be desired. Because of arrangements made between officials of this government and officials of the United States government this man, who had been an investigator on the staff of the district attorney of New Orleans and was involved in an inquiry into the circumstances surrounding the assassination of the president of the united States, for reasons no one has ever been able to tell us in this House, was smuggled in and provided with a job with the Canadian counterpart of a United States firm. This man lived in Vancouver, thousands of miles from his job. He received a salary of $18,000 a year. His family was smuggled in under an assumed name. He was given landed immigrant status through illegal use of the Immigration Act and regulations. That was one case.

What do we find on the other page? We find a case of an unfortunate young Polish woman who had entered Canada properly as a visitor. Her application for appeal and leave to stay in this country had been objected to. She was so concerned, discouraged and disappointed about what she thought was her fate if she returned to Poland that she committed suicide.

There are two opposite sides to problems that have arisen under the Immigration Act in its present form, in addition to the thousands of cases which are the subject of discussion tonight. I have spoken to the minister about this and I think he genuinely believes that something must be done. While there must be left in the hands of the administration some opportunity to act with flexibility and speed, nevertheless it is essential that it be left to this House to deal with new legislation, and in that new legislation take into account the facts which we have experienced and which have been dealt with by the minis-

ter and other members tonight, facts of which hon. members of this House are aware.

I suggest we might have a green paper and a committee which would make a most careful and painstaking examination of the facts and recommendations in respect of new legislation. So far as I am concerned, if such a proposal is made—and this government now seems to be addicted to the green paper—I would certainly do all I can to facilitate such an inquiry.

If that were done and new legislation were established, I suggest there be a small standing committee to deal with immigration matters so that there can be constant liaison between the government and members of this House, acting as members and as ombudsmen in respect of people who have immigration problems. This House and its members are better qualified than anybody else to deal with the problems of immigration, and to revise and amend the regulations from time to time. If the minister, as he indicated previously he would, would do something like that, I would certainly go a long distance with him in trying to bring it about.

I shall simply end by supporting what the hon. member for St. Paul's (Mr. Atkey) said concerning the Statutory Instruments Act. There has been a most flagrant violation of the Statutory Instruments Act, not only in respect of the section dealt with by the hon. member, but in respect of the clause which says that in examining a statutory instrument the deputy minister of justice must see that it does not trespass constitutionally on existing rights. Retroactive legislation always has that effect.

Mr. Deputy Speaker: I think the hon. member for Drummond has a point of order.

[*Translation*]

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I would like to remind the hon. member who now has the floor that if he wants to see the bill passed tonight, he has only 30 seconds left to complete his remarks.

[*English*]

Mr. Baldwin: Mr. Speaker, that is a question between myself and this House. The comments of the hon. member I am afraid are not very conducive to promoting the passage of this bill. I have undertaken that it will be passed tomorrow. The hon. gentleman had every opportunity to make a contribution if he had wished to do so. I do not think he is helping in the passage of this legislation with his inane remarks. Mr. Speaker, I call it ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

Adjournment Debate

ENERGY—PROPOSED MACKENZIE VALLEY OIL PIPE LINE—REQUEST FOR TABLING OF INFORMATION RELATING TO UNITED STATES INQUIRIES AS TO GOVERNMENT'S POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I wish to address the House for a few minutes tonight on a matter about which we have heard a great deal in the last several days, namely the appalling situation in connection with any hope Canada might have of stopping the Alaska TAPS proposal from resulting in tankers going down the coast of British Columbia and the west coast of Canada.

In 1971 this House instructed the government to send a formal note of protest to the United States government in Washington since we took the position that we were opposed to a tanker route down the west coast of British Columbia. Since that day, I want to remind hon. members that ministers of the government have repeatedly assured us that they are doing everything possible to have this tanker route stopped.

● (2200)

We all know what the situation has been in the last few days. We all know that the Senate has passed a bill overriding environmental considerations and everything else in order to push the tanker route proposal through. One of the most vigorous members of the Liberal party in opposition to the tanker route was the former member for Esquimalt-Saanich, Mr. David Anderson, who is now the leader of the Liberal party in British Columbia. All hon. members know that he staged for a considerable time a proper, decent and vigorous fight, which he continued since he left federal politics, against this tanker route.

In apparent admiration for the work that he was doing in the province of B.C. the right hon. Prime Minister (Mr. Trudeau) replied to a qeustion that I put to him on March 2, 1973, as reported at page 1835 of *Hansard*, when I was asking what was happening with the tanker route proposal. After telling me that he was interested in my belated interest in the tanker route—which seems rather amusing in view of the fact that I come from the west coast where people do not have a belated interest in the tanker route but a very real interest—he said:

> Of course, the hon. member is aware of the fact that the Liberal leader in British Columbia is responsible for the very good turn of events in this matter.

I do not know what good turn of events the right hon. Prime Minister was referring to in that answer, but I can tell hon. members today that there are no happy events. I want to remind them that according to the July 16, 1973 edition of the Vancouver *Sun*, the present Minister of Energy, Mines and Resources (Mr. Macdonald), in referring to the proposal of the leader of the Liberal party in British Columbia to try to use the Mackenzie route as a last ditch stand to avoid the tanker route, told delegates:

> . . . that what Anderson suggested was a bluff . . .

Here we have the provincial Liberal leader doing his best in the province of British Columbia, and at the same time the federal minister telling people in B.C. that all he is doing is bluffing. Now we have the Minister of the Environment (Mr. Davis), who entered this debate in recent months, referred to in the same edition of the Vancouver *Sun* in the following terms:

In the audience was Environment Minister Davis, who has publicly suggested using the gas line to apply pressure.

On March 29, Davis told the Vancouver Kiwanis Club that the gas line is Canada's "trump card" in the battle to keep tankers out of west coast inland waters.

Here we have at the western conference of Liberals in my city a complete and utter confrontation with respect to policy.

All hon. members will remember the incredible episode of a few months ago when the Prime Minister told us that a committee had been set up to study tanker route controls. He could not find that committee and he could not find out what had happened to it, but finally the Minister of the Environment told us on March 8, as reported in *Hansard* at page 2017, when we were talking about this committee:

Yes, Mr. Speaker. The word "committee" is inappropriate.

It was "inappropriate" because the committee did not even exist. The Minister of Energy, Mines and Resources said today that continual representations have been made since the summer of 1972. The Prime Minister said on television yesterday that these have been continued. Yet not so long ago the Minister of Energy, Mines and Resources was asked about this, and this is what he said, as reported in *Hansard* of February 14 at page 1281:

The government has no intention of renewing its representations.

That is to the United States. He went on to say:

Of course, we will be interested in hearing from the United States administration in this regard, but at present we do not plan to take any fresh initiative.

All I can say is that the Minister of Energy, Mines and Resources was misleading the House or else was unbelievably unaware of what was going on to an extent that is almost inconceivable.

There has been talk of a railroad. You remember that questions were asked on May 22 of the Minister of Energy, Mines and Resources (Mr. Macdonald) by the right hon. member for Prince Albert (Mr. Diefenbaker). The minister replied:

—my response to the right hon. gentleman is yes, there is such an evaluation under way.

He continued:

In collaboration with my colleague, the Minister of Transport, that proposal is being evaluated.

Yet today we have an incredible release put out by those four horsemen of disaster, the Minister of Energy, Mines and Resources, the Minister of Indian Affairs and Northern Development (Mr. Chrétien), the Minister of the Environment and the Minister of Transport (Mr. Marchand), who have apparently been sent forth by a blind commander, the Prime Minister. This release says in part:

A study will begin immediately on the engineering feasibility and the cost of a railroad to move oil and natural gas southward from the Arctic over the perma frost region.

In view of these incredibly conflicting statements by the government over the last four or five months, I ask where is the credibility, where is the competence, where is the sincerity? I demand, on behalf of everybody living on the west coast—even if this does not matter to a government which is so concerned with central Canada—the tabling of all documents exchanged between the government and the United States government; and I demand the personal intervention of the Prime Minister, even at this eleventh hour, to do something about this disastrous situation.

[Mr. Fraser.]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, with regard to the last comment which the hon. member for Vancouver South (Mr. Fraser) has made, may I suggest to him that as quickly as possible he put a motion on the order paper calling for the production of the papers he wants. As the parliamentary secretary in charge of that matter, I will undertake to do what I can to get them for him as quickly as possible. I would make only one caveat, and that would be that any papers which have been exchanged between Canada and the United States government would also require the permission of the United States government before they could be released. But other than that I would undertake, on behalf of myself in this position, to provide him with those papers as quickly as possible.

In terms of the original question which the hon. member raised concerning the time at which the last correspondence or communication between the United States government and this government took place, he is aware, of course, that that material was provided on June 22, and again on June 27. On July 6 the Minister of Energy, Mines and Resources (Mr. Macdonald) released a series of questions and answers on this particular issue, which had been provided previously to the government of the United States. The original replies were transmitted to the United States embassy in Ottawa on June 27, and the revised version was transmitted by the Canadian embassy in Washington to the United States state department on July 6.

As the Minister of Energy, Mines and Resources stated to this House earlier today, the answers given to the Unites States government were almost entirely repetitions of answers given to Parliament and to U.S. officials. I would also inform the hon. member that the House of Commons is monitored by U.S. officials, just as we monitor the U.S. Congress, and they are fully aware of our position.

SOCIAL SECURITY—SUGGESTED REMOVAL OF 2 PER CENT CEILING ON ANNUAL ESCALATION OF PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker on Tuesday, July 10, as recorded in *Hansard* at page 5453, I put this question to the Prime Minister (Mr. Trudeau):

Mr. Speaker, I have a question that is supplementary to those that have been asked with reference to the rising cost of living and I address it to the Prime Minister because it relates to a matter which comes under the administrative responsibility of at least six different cabinet ministers. In view of the fact that a 2 per cent ceiling on the annual escalation of any pension is out of date, and in view of the rapidity with which the cost of living is rising, will the Prime Minister arrange for the government to consider as a matter of high priority the removing of that 2 per cent ceiling from the annual escalation of all pensions to which it still applies?

● (2210)

Hansard records the answer to that question as follows:

RIGHT HON. P. E. TRUDEAU (PRIME MINISTER): Mr. Speaker, since the government took the very worth-while and bold action of tying down many pensions to the increase in the cost of living, I am sure the hon. member will realize that we are considering this total matter. However, the matter of availability of funds to deal with all categories of people at the same time is the one which the government must also keep in mind.

I offered a retort to that in which I expressed the hope that the Prime Minister might be here for a discussion of this matter some night at the time of adjournment. I realize now that I am going to have to settle for the Parliamentary Secretary to the President of the Privy Council (Mr. Reid), but maybe it is not all that bad. Maybe I will get a better answer from him than I got from the Prime Minister.

Surely, Mr. Speaker, it is not necessary to argue the basic point which I set out in my question, namely that with the cost of living rising 5 per cent, 6 per cent or 7 per cent a year it is no longer sensible or just for pension escalations to be limited to 2 per cent per year. So long as this situation obtains it simply means that pensioners under these conditions are falling behind year after year.

It is true, as the Prime Minister said the other day, that it was a Liberal government that first brought in the escalation of some pensions; but when the Prime Minister boasts of that I ask that he also take the blame for the fact that they put a 2 per cent ceiling on the amount by which such pensions could escalate.

Now the fact is, and I welcome it, that we have got rid of that 2 per cent ceiling with respect to four pensions that I can indicate, namely, old age security, the guaranteed income supplement, the war veterans' allowance and war disability pensions that are paid under the Pension Act. That is fine. Those pensions now escalate in accordance with the actual rise in the cost of living. I put in parenthesis, as I always do when I speak on this subject, that I am not satisfied even with an increase which measures up to the cost of living. I think the escalation of pensions should equal the rise in the standard of living; but at least let us get to the point where pensions escalate to the full extent of the rise in the cost of living.

In my question to the Prime Minister I said I was putting it to him because it related to a matter that comes under the administrative responsibility of at least six different cabinet ministers. May I indicate those? The Minister of National Health and Welfare (Mr. Lalonde) is responsible for the Canada pension plan and escalations under that legislation are still limited to 2 per cent. The President of the Treasury Board (Mr. Drury) is responsible for the pension increases that are paid retired public servants and a number of other related groups and those increases are limited to 2 per cent per year. The Minister of National Defence (Mr. Richardson) is responsible for pensions paid to retired armed forces personnel. The Solicitor General (Mr. Allmand) is responsible for pensions paid to retired RCMP personnel. Again, in those two categories the 2 per cent limit applies on the annual escalation. The Minister of Transport (Mr. Marchand), in my view, is responsible for Canadian National Railways pensions, and those are limited to an escalation of 2 per cent per year. Even that 2 per cent is on an ad hoc basis; it has not been made permanent.

I could have mentioned Devco, which comes under the Minister of Regional Economic Expansion (Mr. Jamieson), and the retired employees of the Bank of Canada, who come under the Minister of Finance (Mr. Turner). Certain retired diplomats come under the Secretary of State for External Affairs (Mr. Sharp), so my list of six is growing to eight or nine. In case, any pensioners are missed, the Minister of National Revenue (Mr. Stanbury) is responsible for a regulation that says that no pension plan can qualify for income tax purposes unless it limits its escalation to 2 per cent per year.

Yet the Prime Minister has the gall to stand up here the other day and boast about what the government has done in making a start in tying some pensions to the cost of living, when along with that step the same government has imposed this miserable 2 per cent ceiling which, as I say, is affecting pensioners on all kinds of pensions, both public and private.

Mr. Speaker, I hope the Parliamentary Secretary to the President of the Privy Council has that better answer that I anticipated. I suggest this is an area where action must be taken and taken soon, namely the removal of the 2 per cent ceiling from the annual escalation of all pensions, both public and private.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I do not want to suggest to the House I have been around here as long as the hon. member for Winnipeg North Centre (Mr. Knowles), but I was around when the 2 per cent annual increment for pensions was introduced into the House of Commons. I recall what a revolutionary theory that was and what an impact it had on the development of pension plans in Canada.

Just as a long journey starts with a first step, we took that first step in removing the 2 per cent limitation on the pensions which the hon. member for Winnipeg North Centre has indicated; that is, on pensions paid to senior citizens, the guaranteed income supplement, the war veterans pension and the was veterans disability allowance.

I hope that in short order we will be able to come to an accommodation with the provinces and have the 2 per cent limitation removed from the Canada pension plan. That will probably be the big difficulty. It is currently under negotiation. If those negotiations are successful with the provinces, I hope legislation will be brought in some time this session, probably in the fall.

With regard to pensions of defence employees, RCMP and other government people, I remind the hon. member he was helpful in sending to the Standing Committee on Miscellaneous Estimates a resolution dealing with those pensions, although not particularly on the point he mentioned. However, I am certain that, on examination, the resolution which we sent to the committee for discussion will permit that committee to make recommendations on this very point.

I assure the hon. member the government is cognizant of the problem. It is sympathetic toward getting a proper solution to that problem. I hope that in this Parliament we will come to a solution that will not only satisfy the hon.

member and myself, but the people who are receiving those pensions.

AGRICULTURE—REQUEST FOR PROGRAM TO ASSIST YOUNG PEOPLE WISHING TO BE FARMERS

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, on Friday, June 22, as recorded at page 5022 of *Hansard*, I asked the following question:

Mr. Speaker, my question is for the Minister of Agriculture. In view of the fact that capitalization costs for young farmers have increased by 66 per cent in the past ten years and young farmers cannot always get Farm Credit Corporation loans or afford 10 per cent plus interest rates, will the minister be announcing a program soon to help young farmers stay on the farm or get starting in farming?

The minister replied as follows:

Mr. Speaker, the record shows that more young farmers have received farm credit loans this year than for many years. We are working on a program. We will be meeting with our provincial counterparts to discuss this program on how we can aid more young people who really want to enter farming or remain in farming to do that.

In my short period of years, I have heard politicians say over and over again that they are working on programs to get young farmers started in farming. For years they have stood on platforms and said that, although we have been successful in the past, we are working on a new program to stop the mass exodus of young people leaving the farms and going to the cities.

Perhaps it is necessary to have a definition of a family farm. One person has described the family farm as a way of life, an independent business in the conduct of which a farmer has a chance to live a decent life with a reasonable income, financially dependent less upon the vagaries of the market than on his own efforts to produce.

Canadians should never forget that the family farm, as opposed to the corporate farm, still produces the bulk of Canada's agricultural output. It is ironic that many economists still point to the agricultural sector as one of the last examples of effective private enterprise with substantial economic competition.

● (2220)

Unless something basic is done, this characteristic of the sector will disappear just as surely as it has disappeared in other productive sectors. The continuing decrease in the number of farms in Alberta has gone almost unnoticed in the past few years. Figures show that in 1972 there were 67,702 farms in Alberta compared with 84,000 in 1951. This means we have suffered a decrease amounting to nearly 1,000 farms per year.

The chief factor in this decline has been the ever-increasing amount of capital necessary to begin farming. In 1951, the capital figure was $21,000. In 1961 it was $37,000 and today it is estimated that one needs $80,000. Since an initial outlay of this magnitude is needed, many people, especially young people, who would like to begin farming are unable to do so.

As we all know, the main lending institution is the Farm Credit Corporation. It is to the credit of past governments and of the present government that the number of loans has tripled over the last decade or so. However, I come from an area which is populated by many family farmers and I have received numerous complaints from young farmers, or would-be farmers, that credit is very difficult to obtain. This personal but very real testimony to the inadequacy of government programs should sharpen our critical faculties in the present discussion.

A glance at some statistics indicates that in 1972-73 at least 60 per cent of the loans went to persons who were over 35 years of age. The average age of Canadian farmers is 49, and this figure, rather than decreasing, is increasing. Every social scientist has documented the exodus of young people from the farms to the cities. It has been said that every day 42 farmers leave their occupations.

Not only are farms being bought out and older established farmers increasing the size of their farms, but, more significantly, the programs implemented by the government have reinforced and perhaps encouraged this trend instead of counteracting it. But before we go any further, let us listen to the words of an individual who is actually engaged in the farm credit business. Mr. G. W. Arnold, manager of the agricultural department on the Royal Bank of Canada, told the international credit congress last May that government-backed loans were of decreasing importance because the nature of the farm unit is radically changing. The farmer, he said, was a businessman with a large capital investment in land.

My bank manager says he is leery of lending under the farm improvement and farm credit legislation because of the restriction on the interest rate to one per cent above the prime rate. It is clear that if young people are to be encouraged to enter farming it will be necessary to provide sufficient capital at prime rates or below for those in the lower age groups. Perhaps we could subsidize interest rates for these young people, who would pay the loan back later from their substantially greater yields. This is not a new idea. The hon. member for Vegreville (Mr. Mazankowski) moved an amendment to Bill C-5 on June 26, 1972, to the effect that where a borrower under the age of 30 years first obtains a loan under this act, the governor-in-council shall not prescribe a rate of interest in respect of that loan in excess of 5 per cent.

If the F.C.C. is in theory an adequate means by which to supply those who are willing to farm with the credit to do so, then in practice it fails to do so. The practical proof of what I have said lies in the fact that many young farmers are increasingly turning to small farm loans agencies which some provinces, such as Alberta, are setting up to handle the making of loans to people whose applications have been rejected by the F.C.C. and other agencies.

If we really want to do something effective to counteract the trend toward the dissolution of the small farm, we must institute effective incentives. Prices have increased, but costs have kept pace. With the recent escalation in food and feed shortages, costs to farmers have increased even more markedly. Many of these farmers do not have the collateral base to obtain loans. Perhaps we might consider the actual land, equipment and livestock as collateral and not require a large, previously built-up capital base. I feel the government should adopt the following—

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member's time has expired.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am pleased to reply to the remarks made by the hon. member, because this is an opportunity to explain to hon. members some of the very important things this government has undertaken in order to help young farmers become established in farming.

One of the first things I did on being appointed Minister of Agriculture was to look into the Farm Credit Corporation, and all offices in Canada were to be visited. I think all western offices so far have been covered. We wanted to find out how many requests were coming in from young farmers. I asked farm organizations and provincial governments to make suggestions to me on how we might amend this legislation, or even bring in brand new legislation, so as to make it attractive for young farmers to begin farming.

Amendments have been made to the Farm Credit Act which increased the loan ceiling of an individual's borrowings from $40,000 to $100,000. The Farm Credit Act was also changed to permit the minimum age at which a farmer is eligible for a loan to be consistent with provincial legislation governing the age at which persons may contract for mortgage loans. This amendment was made because several provinces have lowered the age of majority to below 21 years. This change now makes it possible for younger farmers to qualify for loans.

I should like to draw the hon. member's attention to the fact that in 1972-73 over 41 per cent of all Farm Credit Corporation loans were made to farmers under the age of 35. The hon. member turned this fact around; he only used the bad figures. In 1970-71 less than 35 per cent of loans were to this age group. So the number of loans to younger farmers who wish to enter agriculture is on the upswing.

In the province of Alberta, the province from which the hon. member comes, there have been over 1,000 applications to date under the small farms program. These have mostly been made by young farmers.

The small farm development program offers another means whereby young farmers can acquire land or expand existing farming operations. This program seeks to assist farmers in acquiring land at reasonable prices and credit terms. I have also indicated that I and my officals will be meeting with our provincial counterparts in Charlottetown next week to discuss how better we can aid young people who want to enter or remain in farming.

May I also point out that recently the Minister of Finance (Mr. Turner) made it possible for a father to pass to his son or daughter who are engaged in farming the family farm without paying a tax, something that no other country in the world has done.

I emphasize, in closing, that we believe the best way to retain young people in agriculture is to make sure that farming is put on a paying basis. As farm income reach a level consistent with those earned by other sectors of society, there will be an incentive for younger people to take up farming. I, as Minister of Agriculture and as a politician, intend to do something about this, not just talk about it. I welcome this occasion for making these comments, Mr. Speaker.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Friday, July 20, 1973

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—FIFTH REPORT OF STANDING COMMITTEE—MOTION FOR CONCURRENCE

Mr. Judd Buchanan (London West): Mr. Speaker, I have the honour to present the fifth report of the Standing Committee on Indian Affairs and Northern Development. If the House gives its consent, I intend to move concurrence in the report later today.

[*Later:*]

Mr. Speaker, I move:

That the fifth report of the Standing Committee on Indian Affairs and Northern Development presented this day be concurred in.

As a result of discussions with the House leaders of all parties, I believe there is general agreement on this concurrence.

Motion agreed to.

FINANCE, TRADE AND ECONOMIC AFFAIRS

Second report of the Standing Committee on Finance, Trade and Economic Affairs—Mr. Herbert.

* * *

[*Translation*]

PARLIAMENT HILL

MEASURES TO PROTECT ENVIRONMENT—STATEMENT BY MINISTER

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, for a number of years now it has been recognized that Parliament faces a severe space problem creating a limitation of its effective operation. As Parliament has become, through its committees and in other ways, even more involved in all aspects of the nation's life, it has become much more a year round operation and space available has fallen behind its needs as they have developed in the modern era.

Moreover, concern has been expressed about the danger of visual encroachment on the beauty of the present parliamentary precinct, which is one of the great symbols of Canada. We must ensure that nearby developments do not adversely affect it and furthermore, we have an opportunity, I believe, to enhance the present precinct by enlarging, and thereby completing, it in a fitting manner. The longer we wait, the more costly the solution.

Hon. members are aware, of course, that we have achieved temporary relief of the space problem by refurbishing the Confederation Building and making it available to members. However, it is only a temporary solution as all members are aware and as you, Mr. Speaker, were careful to point out at the time I had the pleasure of handing over the Confederation Building to your very able and competent jurisdiction.

We have all been aware that to properly house the expanded requirements of Parliament for the generations ahead in a way that would both complement and preserve the existing architectural beauty of the Parliament Buildings we must enlarge the present parliamentary grounds.

I wish therefore to announce, Mr. Speaker, that I have today, on behalf of the government, filed a notice of intent to expropriate all the land and buildings in the area bounded by Wellington Street, Elgin Street, Sparks Street and Bank Street. The purpose of this expropriation is as I have indicated to protect the environment of Parliament from any development which could adversely affect it and simultaneously provide the land for an appropriate expansion of parliamentary facilities and other government requirements. The property of the United States Embassy has been excluded from this expropriation but discussions are well advanced for its acquisition.

This action will also provide the National Capital Commission with a splendid opportunity to plan the urban development of this most critical piece of land which is at the heart of the national capital and which constitutes a bridge between parliament and the city of Ottawa. My department will be working closely with the commission to marry the architectural requirements of Parliament to the exciting possibilities this location raises.

● (1110)

[*English*]

For this purpose, it will be important that Parliament be at the heart of this process and I wish to announce that it is the intention of the government to appoint a commission on parliamentary accommodation comprised of present and former members of parliament representing all parties in the House and in the Senate. The government will be consulting leaders of all parties with respect to appointments to the commission.

The purpose of the commission will be to advise on the amount and type of facilities that parliament will require to operate effectively for the future.

I should like to add a few words, Mr. Speaker, with respect to the existing properties and especially the Sparks Street Mall. It is the government's intention that until Parliament's needs have been fully defined, there

will be no disturbances whatsoever of the existing properties. This will be especially true of the commercial operations on Sparks Street. Some of the office accommodation in the upper levels may be used for government purposes from time to time, but the commercial character of Sparks Street at ground level will be left intact.

To underscore this, I wish to emphasize that all leases have been excluded from the expropriation process. I want to assure everyone involved that on the Mall it will be business as usual. Further, it is the government's intention that when a plan is developed for the area, including the architecture of the buildings, space will continue to be provided for commercial operations facing Sparks Street so that the present character of the Mall will be preserved and enhanced.

We are all proud of the outstanding appearance and setting of the Parliament of Canada. It is as impressive as any in the world. I think we will all agree that we have a duty to preserve its dignity, grace and beauty for the years ahead, in accordance with the fundamental position it occupies in the life of the nation. I trust that this announcement and the promise it holds for the improved facilities for the operation of Parliament and the completion of the central architecture of the national capital will commend itself to all members of this House.

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, let me say that on behalf of Her Majesty's Loyal Opposition we welcome this announcement today and commend the government for taking this important step.

This is a significant development for Parliament. Not only does it ensure that the basic tool of space for the operation of Parliament is available, but also that the planning for the expanding work of the committees of Parliament and the work of the members of parliament on behalf of the people they represent can be assured. This House will be considering as an ongoing process the work of committees, and if the committee system of the House is to function, then there is no doubt that the staffs of committees must be expanded both in number and in depth. We now have the assurance that this important function will not be limited by lack of available space. It is my hope that in the planning process the interests of the owners and tenants will be respected in that they will be kept fully informed of plans and timetables for development. It is important to observe that the centre block can be put to the use for which it was intended, at least to greater use, that is for the accommodation of members of parliament.

However, I would say that the most significant aspect of this announcement is the aspect of control. Parliament Hill is recognized as a place unparalleled architectural beauty. More than that, it is the symbol and the centre of our national life. As such it deserves protection from the conflicts and differences in points of view that arise between municipalities and developers on land use, even though they may be well intentioned. This announcement today will ensure that the people of Canada whose national capital this city is will have a part in the development of its centre.

[Mr. Dubé.]

The announcement of the intention of the government to appoint a commission on parliamentary accommodation is an excellent one, especially if its composition is as suggested by the minister. It will ensure that the best of experience is joined in the production of reasonable, practical and effective facilities to serve Parliament, the members of which serve Canadians. It is regrettable that the negotiations with the United States with respect to the U.S. embassy property are not complete, and all of us urge the government to press ahead, with the assurance from this House that the government has the full support of all members of the House in completing those negotiations.

Lastly, I would like to pay tribute to the National Capital Commission which, with some notable exceptions, has been mindful of its responsibilities to marry the concepts of the national capital as a place for government and as a place for people. In this new venture it must continue that delicate balance so that this city will continue to grow as a fitting symbol of our national life. In that venture the minister can be assured that he has the support of the opposition with respect to this announcement.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, for some reason an advance copy of this statement did not reach me, but even so I have the pleasure of indicating on the spur of the moment our strong approval of the announcement that has been made by the Minister of Public Works. Indeed, I join in the remarks that have been made by my friend, the hon. member for Grenville-Carleton (Mr. Baker). We are not only friends, it so happens that when I am in Ottawa we are neighbours; we live across the street from each other. He helps me get my car out of the snow in the winter time. But I have one advantage over him. From the side of the street on which I live, from my bedroom window I can see the Peace Tower. Woe betide any developer who puts a high rise building between my bedroom window and the Peace Tower.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Although I have put that on a personal basis, I wish to underline the point—I hope it will not be regarded as a conflict of interest—that we are concerned not only about the beauty and the attractiveness of the area from the river over to Sparks Street but we are also concerned about the view of Parliament Hill from all parts of the city. I hope that in addition to the things that are being done and suggested in the minister's statement, the government and the National Capital Commission will play a very strong role in preserving the view of Parliament Hill from all parts of Ottawa.

● (1120)

Sir, we thoroughly approve of the decision to expropriate the area between Wellington and Sparks Streets, and between Bank and Elgin, for this purpose indicated by the Minister of Public Works (Mr. Dubé), and I join in the incidental comments that have been made upon that, both by the minister and by the hon. member for Grenville-Carleton.

We also approve of the decision to establish a commission to survey the whole question of the best use of the Parliament Hill area. I underline the suggestion that this centre block should be the preserve of members of parliament rather than of others. That is why it was built, for parliament. I suggest that in so far as other buildings near by are made part of the Parliament Hill complex, provision should be made for speedy connections. That may well mean a system of underground connections so that those who have to go from one building to another can get there quickly.

On the whole, having just heard the statement this morning, I am happy to say that we are in favour of it. We take this position not only because some of us have the real privilege of spending a great deal of time in this city, but because it is the capital of this country and therefore it belongs to all Canadians. I am delighted that over the years the number of people who have been able to visit Ottawa has greatly increased, and more and more it is true that Canadians recognize this not just as some place off there but as their capital. Anything that is done to make this Parliament Hill area and the whole national capital region a beautiful place, a place where work can be done, and also a place of which all Canadians can be proud, is a step in the right direction. I welcome the statement that was made by the Minister of Public Works, and I trust that action he has outlined will proceed as quickly as possible.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I thank the minister for sending me a copy of that statement which should have been made to Parliament some 20 years ago, I think, in order to protect the environment of Parliament, because we must acknowledge that the most important structure in Canada, whatever some people may think—

Mr. Baldwin: What about the Bank of Canada?

Mr. Caouette (Témiscamingue): —is the Parliament of Canada, our institution.

The thousands of visitors who come to Ottawa do not come here to see the City Hall, but to visit the Parliament Buildings. For one who comes from my region, the first thing to do is to visit Parliament.

It is quite logical to be told that the government is taking measures to protect the environment of Parliament Hill even if properties must be expropriated, and the Centre Block which we now occupy must be improved and made more attractive.

Mr. Speaker, as does the minister, I deeply regret that some members have to travel from the Confederation Building and the West Block to the Centre Block. It seems to me that the Parliament Buildings could shelter all the members with the greatest comfort, not the one we have known for the two or three days on the sixth floor. It is too warm, in spite of air-conditioning. All members should have an office here. If we have to move someone, let us move the senators to the Confederation Building, leaving the Centre Block to the members—

Mr. Knowles (Winnipeg North Centre): Send them to Hull!

Mr. Caouette (Témiscamingue): The hon. member for Winnipeg North Centre suggest that they should be sent to Hull. I am a citizen of Hull and I do not want them at all, Mr. Speaker. Let us keep them in Ottawa or put them in the zoo south of Ottawa!

Seriously, Mr. Speaker, the Centre Block definitely constitutes an attraction. Personally, I refused to move to the Confederation Building because I am convinced that Parliament is not the Confederation Building but the Centre Block. And this is why I want to stay here.

I hope that the minister will proceed as soon as possible with improvements so that all hon. members will have their offices in the main building with Your Honour in order that we may legislate for the whole Canadian population.

The minister's statement is certainly welcome and I support it entirely, as do all my colleagues here.

* * *

[*English*]

THE CANADIAN ECONOMY

REQUEST FOR STATEMENT OF POLICY ON FOOD PRODUCTION AND SUPPLY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, because it is a matter of serious concern to all members of this House and therefore they may be disposed to grant my request, I ask leave of this House to propose a motion under Standing Order 43.

It deals with the confusion and the concern that presently exists, not only over the drastic and continuing rise in food prices, but the increase at an even greater rate of all input costs in food production and distribution to a degree that it now appears to be curtailing production at a time when great supplies are desperately needed.

Therefore, I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That this House request the ministers of the government either later this day, or on the next sitting day to make full statements on motions with regard to their present policy and future plans to assure adequate food production and supply for Canadians.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent and the hon. member's motion cannot be put.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

EFFECT OF REDUCTION IN GOVERNMENT SUPPORT OF WHEAT PRICE ON BREAD—REASON FOR CHANGE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the minister responsible for the Wheat Board and relates to the statement he made last evening about the price to be paid by domestic millers for wheat. I should like to ask the minister why the government chose this time to reduce the financial liability it had accepted under the two price system adopted back in 1971, a move which in effect forces an additional increase in the price of bread quite independent of any movement of world prices?

● (1130)

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it should be appreciated that the so-called reduction in federal treasury money is a very minor item of 4½ cents on each bushel. The exact figure of $1.04½ was an historic one relating to the $1.95½ at which wheat had been selling under the old international grains arrangement. It seemed appropriate to set this figure at $1 rather than at $1.04½, particularly because from yesterday on the Canadian Wheat Board will be selling wheat to millers in Canada not at a fixed price, such as the old $1.95½, but at a price which will move from day to day or week to week within a range of the world price. That range seems to be easier to calculate regularly if the difference is $1 rather than $1.04½. The adjustment in treasury support is a minor one in the over-all picture. Of course, the 4½ cents is added to the return from the miller to the wheat producer and is in addition to the amount that is added from millers to wheat producers because of the increase in price.

Mr. Speaker: Order, please.

Mr. Stanfield: Mr. Speaker, I would judge that the length of the minister's answer reflects the weakness of his position. Since the minister said that the $1.05½ was an historic figure, and since the price paid for bread by people will be a factor of the day, I ask the minister if he can justify the reduction of some $2,700,000 in the government contribution to the cost of wheat which would, therefore, cause an increase of a like amount in the cost of bread? Can the minister justify this at the present time, and will he not agree that this will hardly encourage millers to exercise restraint in the pricing of bread, because if the government is trying to get out as best it can, will not the millers try likewise?

Mr. Speaker: Order, please. The question asked by the Leader of the Opposition, and the reply which was given earlier by the minister, are part of the debate which we might have had if the announcement were made by the minister on motions. We have heard the question asked by the Leader of the Opposition and the minister might be allowed to reply, but I would hope that both answers and questions could be briefer.

[Mr. Speaker.]

Mr. Lang: Mr. Speaker, the adjustment of the 4½ cents would only lead to the most minute alteration in the cost of bread, perhaps something less than one tenth of one cent. The much greater change has to do with the fact that the world prices are higher and, of course, the switching of this amount, which still leaves us with a $60 million consumer subsidy on wheat for bread making purposes, was something which people like those in the Saskatchewan Wheat Pool had strongly advocated with regard to the whole amount. We felt we should leave the subsidy to the extent of $60 million.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I am sorry that members on the government side are applauding an increase in the price of bread.

Some hon. Members: Oh, oh!

Mr. Stanfield: May I direct a supplementary question to the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Speaker: May we have order, please. The Leader of the Opposition has the floor.

POSSIBLE INCREASE IN PRICE OF BREAD—GOVERNMENT ACTION TO AID THOSE ON FIXED INCOMES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the light of the government's reducing this financial commitment at this time, which is showing a very poor example and will result in an upward movement in the price of bread, can the Prime Minister indicate whether he proposes to recommend any measures to enable those on fixed incomes or inadequate incomes to deal with the increase in the price of bread, to which the government's policy will contribute, or is the Prime Minister now accepting advice from Marie Antoinette?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must disagree with the preamble to the question, much as the Minister of Justice did, and emphasize that this government is subsidizing, through the taxpayers' money, the western wheat growers to the tune of $60 million, and that is $60 million more than the opposition party ever did by bringing in two-price wheat.

Some hon. Members: Hear, hear!

POSSIBLE INCREASE IN PRICE OF BREAD—SUGGESTED INCREASE IN GOVERNMENT SUPPORT OF WHEAT PRICE TO OFFSET

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. In view of the statement made by the minister responsible for the Wheat Board that the aim was to achieve a round figure, and that is why the government dropped from $1.04½ to $1, may I ask if consideration was given to a round figure like $1.10 or $1.25, so that the price of bread might come down?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am sorry that hon. members did not understand, even from my long statement, that the only thing which is in any real way contributing to the increased costs for flour to the miller is the increased price which the Wheat Board will charge to millers, which results from the world price now being at about $3.50, or 50 cents higher than the $3 at which we were supporting it before. That additional 50 cents, which has nothing to do with this minor adjustment in treasury support, is what may increase in due course by a small amount the cost of wheat to millers.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Is not the higher price all the more reason for the subsidy?

Mr. Speaker: Order, please. That is argument. The question asked in those terms is not in order.

INCREASE IN COST OF FOOD—GOVERNMENT ACTION TO RECTIFY

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In view of the unprecedented high increase in the cost of bacon, pork products and beef products—

An hon. Member: And fish.

Mr. McGrath: I can assure the hon. member that fishermen are not getting any benefit from it—I would ask the Prime Minister what action the government proposes to take to prevent this exorbitant increase in the price of food. My question is prompted by the fact that a majority of the—

Mr. Speaker: Order, please. Perhaps the hon. member might allow the minister to reply. I do not think additional comments are necessary when he is asking a question.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will certainly consider the question, but I will also want to consider very carefully the suggestion that fishermen are not getting anything out of the higher prices for fish. I would want to consider that.

Mr. McGrath: A supplementary question, Mr. Speaker. As the only action the government has taken thus far to cope with the increase in the price of food is setting up the Food Prices Review Board, and as the majority of the members of the House have no faith in the ability of that review board to cope with the situation, as indicated in the speech of the hon. member for Vancouver South in Calgary—I beg your pardon, in Vancouver—

Some hon. Members: Oh, oh!

Mr. McGrath: —may I ask the Prime Minister—

Mr. Speaker: Order, please. The hon. member might ask his question now.

Mr. McGrath: Mr. Speaker, there are interruptions, which make it rather difficult. May I ask the Prime Minister what new proposals the government intends to bring before the House, in order to bring Canadians some relief from inflation.

Mr. Trudeau: Mr. Speaker, I must disagree with the interpretation of the vote of this House that the hon. member has just made by saying that there was no agreement on the role of the Food Prices Review Board. It was set up by this House and, I repeat, we have confidence in its ability to act.

Mr. Speaker: Order, please. There are a number of members seeking the opportunity to ask supplementaries on this subject. We will return to it, but I suggest that we should complete the first round of questions. The Chair will recognize the hon. member for Timiskaming and then the hon. member for Témiscamingue.

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AGRICULTURE

HOGS—REQUEST FOR ESTABLISHMENT OF FORWARD PRICING TO OFFSET PRICE INCREASES AND ENCOURAGE PRODUCTION

Mr. Arnold Peters (Timiskaming): Mr. Speaker, may I direct a question to the Minister of Agriculture. In view of indications yesterday regarding the removal of price controls in the United States, what consideration has the Canadian government, and the Department of Agriculture in particular, given to the establishment of a forward price for the production of hogs to ensure that any limitation of production does not create the 50 cent increase that will take place in the United States and may very likely occur here, according to the industry.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, one of the big things we have to worry about in food production is people suggesting that there will be food shortages, since we have to provide security for people in food production no matter what food may be involved. Also, we have to encourage production in Canada. What the United States of America has done has been to curtail production and curtail supply, and that should be a lesson for all of us.

Mr. Peters: A supplementary question, Mr. Speaker. In view of the fact that within the last year or two many hog producers in Canada have gone broke because of the inability to stabilize their prices in accordance with the cost of production, does the Stabilization Board now intend to assist in establishing a forward price that will encourage farmers to go back into production in order to avoid this possible price increase which would have a great effect on the cost of living?

● (1140)

Mr. Whelan: First of all, pork production in Canada is near an all-time high. The stabilization board is watching what is going on very closely. We are concerned to maintain this productivity, and price is the greatest incentive to productivity in Canada.

[*Translation*]

NATIONAL DEFENCE

INQUIRY RESPECTING BOMB FOUND IN RICHELIEU RIVER—REQUEST FOR EXPLANATION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Prime Minister.

This morning, on a Montreal radio station, people were talking of the emotion caused by the mysterious discovery of a bomb in the Richelieu River, near Lacolle. Would the Prime Minister have any clarification to give to the House concerning this?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I cannot clarify this mystery at this time. I know that this government, through the responsible minister, is looking for the required information, and as soon as this has been obtained, I shall see to it that it is forwarded, if possible, to the hon. member.

Mr. Caouette (Témiscamingue): Mr. Speaker, since it has been possible to establish that this bomb is of an American make, the Americans must have found out that one was missing. Does the Prime Minister intend to inquire from the American authorities concerning the time when they lost that bomb?

[*English*]

Hon. James A. Richardson (Minister of National Defence): Mr. Speaker, it is correct that a bomb was located in about 15 feet of water in the Richelieu River. It has been recovered by members of the Armed Forces, and I think they should be congratulated for their skill and bravery in this undertaking.

Some hon. Members: Hear, hear!

Mr. Richardson: We still have to investigate the origin of the bomb, and this is being done.

* * *

THE CANADIAN ECONOMY

REASON FOR REDUCTION IN GOVERNMENT SUPPORT OF WHEAT PRICE WHICH MAY CAUSE INCREASE IN PRICE OF BREAD

Mr. Allan Lawrence (Northumberland-Durham): I should like to get back to the Prime Minister and to the wheat announcement made last night. In the light of three facts, namely that the price of bread will go up, that the producers will get no more for it and that the government right now has a cash surplus of $350 million, why was it thought appropriate, especially at this time when our rate of increase in the cost of living is the highest in the western world—

Some hon. Members: Order.

Mr. Lawrence: Why did the government think it appropriate to go ahead now?

Mr. Speaker: Order. I am sure the hon. member would agree that a question asked in those terms is really an argument.

[Mr. Whelan.]

Mr. Lawrence: May I rephrase the question, then?

Mr. Speaker: I suggested yesterday, and perhaps I ought not to have done so, that when questions are asked that are not in order, the questioner should allow another member to put his question. Nevertheless, the hon. member might perhaps be allowed to rephrase his question.

Mr. Lawrence: Can the Prime Minister tell the House why the government feels it appropriate at this time, given the circumstances I have outlined, to increase the price of bread to consumers?

Right Hon. P. E. Trudeau (Prime Minister): I might begin by correcting the impression given or the facts as stated by the hon. member. Of course, the producer will receive more. He will receive it because the price of wheat is going up. And of course the consumer will benefit. He will benefit to the tune of $60 million of the taxpayers' money because the government is providing this $60 million from the treasury, which is a form of subsidy for the consumer. As to the question about the surplus, it is really a matter of whether the hon. member wants tax revenue and surpluses to be distributed in consumer subsidies right and left or whether he hopes that eventually taxes in this country will go down.

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SOCIAL SECURITY

FAMILY ALLOWANCES—REQUEST THAT LEGISLATION BE PROCEEDED WITH IMMEDIATELY

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A question to the Prime Minister, Mr. Speaker. Bearing in mind the drastic increase which is taking place in the price of basic commodities such as food, and the effect this will have on low-income families, and particularly on the children of disadvantaged families, will the Prime Minister now direct that the family allowance legislation, which is presently low on the priority scale, be put back on top where it should be, and introduce the bill for second reading immediately?

Right Hon. P. E. Trudeau (Prime Minister): I am sure that if the bill is low on somebody's list of priorities it is not the government's but probably that of the Conservative opposition—

Some hon. Members: Oh, oh!

Mr. Trudeau: As far as we are concerned, this bill is to come into effect on January 1. Our planning is to this effect and short of some unbelievable filibuster by the Conservatives, this will happen.

INCREASE IN COST OF FOOD—SUGGESTED STRENGTHENING OF POWERS OF REVIEW BOARD

Mr. G. W. Baldwin (Peace River): A supplementary along those lines of questioning. I should like to ask the Prime Minister whether he takes seriously enough the threat of the leader of the NDP to withdraw from the

coalition unless something is done to toughen up the powers of the Prices Review Board to propose that those powers be increased?

Right Hon. P. E. Trudeau (Prime Minister): The question does not seem very supplementary to me, Mr. Speaker.

* * *

INQUIRY OF THE MINISTRY

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Minister of National Defence. In view of the fact that apparently only militia units were worthy of the Queen's inspection during Her Majesty's recent visit, will the hon. gentleman take steps to ensure that the uniforms of such units are not replaced by the drab, dull greens—

Mr. Speaker: Order. I suggest to the hon. member that this question could be placed on the order paper.

* * *

AGRICULTURE

SUGGESTED CONFERENCE WITH PROVINCES TO RESOLVE PROBLEMS CONNECTED WITH FOOD PRODUCTION

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. In view of the absolute necessity to increase food production in Canada and the highly detrimental effects of rising farm costs as well as the scarcity of competent farm labour, would the minister call an emergency conference between his provincial counterparts, representatives of commodity groups, consumers and farm organizations in an attempt to resolve a critical problem which can soon become disastrous?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I met as late as the day before yesterday with my counterpart in Ontario. I have also discussed this question with the Minister of Labour and with the Minister of Manpower. I would point out to the hon. member that at the present time there is more offshore farm labour available in Canada than at any time in our history. I wish that some of the people who are unemployed would accept the challenge to work on some of these farms and help harvest the crops.

Some hon. Members: Hear, hear!

An hon. Member: Shame!

EGGS—EFFECT OF HIGH COST OF SOYBEAN MEAL—GOVERNMENT ACTION

Mr. Bill Frank (Middlesex): The minister told us he had been talking to his counterpart in the government of Ontario. Would he also consider contacting all interested parties to consider plans for temporary tariff protection for Canadian egg producers because of the great differential in the price of soybean meal between Canada and the

United States, amounting to more than 250 per cent, as a result of the temporary U.S. embargo?

Hon. E. F. Whelan (Minister of Agriculture): We have received representations on this question. I have met with the National Farm Products Marketing Council. We have discussed this problem with the trade, and with our officials, and we shall discuss it further in Charlottetown on Tuesday, I hope. It is a situation which requires some attention but I do not consider it as being so urgent that immediate attention is required.

[*Translation*]

FEED GRAINS—ALLEGED ANNOUNCEMENT BY POSTMASTER GENERAL OF DATE OF NEW POLICY

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I wish to direct a question to the Postmaster General.

Does the statement he made during the UPA convention held in Drummondville as to the announcement of the new policy respecting feed grains still hold?

Mr. Speaker: The hon. member is aware that, under our rules, he is not allowed to ask a minister questions about statements made outside the House. Maybe the hon. member will rephrase his question so as to make it in order.

Mr. Boisvert: Mr. Speaker, could the Postmaster General advise the House whether the government still intends to announce its new policy respecting feed grains before August 1?

* * *

● (1150)

[*English*]

LABOUR RELATIONS

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—ACTION BY MINISTER TO HAVE NEGOTIATIONS RESUMED

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of Labour. In light of the announced intention of 57,000 non-operating rail employees to proceed with selective strikes next week, possibly as soon as Sunday, will the minister tell the House whether he is now going to personally act to get serious negotiations resumed, and if so, when?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I do not quite agree with the premise or the prelude to the hon. member's question as to when the strike is going to commence. From reports I have received, hopefully it will not commence nearly that soon. As far as what intervention we contemplate, I am certainly going to have mediation services offered by my department in an all-out effort to get these parties together. If that includes intervention by myself, I will certainly be prepared to do that.

Oral Questions

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—STUDY BY DEPARTMENT OF TRANSPORT OF EFFECT OF POSSIBLE STRIKE

Mr. Harvie Andre (Calgary Centre): Without implying I am satisfied with that answer, I wish to direct a supplementary question to the Minister of Transport. Has the government reached any decision as to whether selective railway strikes are possible without shutting down the whole railway system or without disrupting essential services? If not, is such a study or determination underway and is the minister prepared to make a statement next week?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the government has never attempted to shut down part of the railways to see if it could be done.

[*English*]

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—CONTINGENCY PLANS OF DEPARTMENT OF TRANSPORT FOR MOVEMENT OF VITAL MATERIALS IN EVENT OF STRIKE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a supplementary question for the Minister of Transport. Has the minister's department worked out contingency plans for the movement throughout Canada of foodstuffs and other vital materials?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think some negotiations are now going on between the railways and the union for specific cases such as Prince Edward Island, Newfoundland and the special circumstances to which the hon. member is referring. I do not know if they will be successful. I do not think it would add any strength to the union to paralyze, for example, the ferries to Prince Edward Island. I hope they will reach some kind of an agreement with regard to those who are in a very special situation.

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REGIONAL ECONOMIC EXPANSION

LOCATION OF ONTARIO REGIONAL OFFICE AS RESULT OF DECENTRALIZATION PLANS

Mr. Ralph Stewart (Cochrane): Mr. Speaker, my question is addressed to the Minister of Regional Economic Expansion. In the decentralization of his department, will the minister indicate if it is the intention of the government to move the regional office for Ontario to northern Ontario and if other offices will be made available in areas such as the Cochrane, Timmins and Timiskaming riding, rather than only in the southern fringe of the north such as Sudbury?

Mr. Speaker: The hon. member may recollect that when a similar question was asked by another member of the House the other day, I suggested it might be placed on the order paper or considered at the time of adjournment.

[Mr. Munro (Hamilton East).]

PENITENTIARIES

WOMEN'S PRISON, KINGSTON—REASON FOR DELAY IN CLOSING

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Solicitor General. Almost three years ago the Report on the Status of Women recommended the closing of the women's prison at Kingston, Ontario. A few weeks ago, the minister said his officials were consulting with provincial officials regarding this matter. Will the minister tell us when the closing will take place and the reason for the delay?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we have been discussing this matter with the provincial attorneys general. It has been agreed to put the subject matter on the agenda of the Federal-Provincial Conference on Corrections which will take place in early November.

WILLIAM HEAD—REASON FOR CONVERSION TO MEDIUM SECURITY INSTITUTION BEFORE HEARING REPRESENTATIONS FROM LOCAL CITIZENS

Mr. Donald Munro (Esquimalt-Saanich): Mr. Speaker, my question is also addressed to the Solicitor General, but is in no way to be considered supplementary. On May 23, as recorded at page 4019 of *Hansard*, the Solicitor General gave an undertaking to the people near the William Head Prison that this institution would not be converted to a medium security prison until the representations and proposals of the community had been considered. Will the minister tell the House why residents of the area have now been advised by the minister that William Head is to become a medium security institution?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, we did take the representations of the citizens seriously. They were examined by myself and officials of my department. We found we could not delay the implementation of medium security status at William Head. The representations were fully considered. I recently wrote a letter to the President of the Ratepayers' Association of Metchosin informing him we would have to go ahead with the plans for medium security status at William Head because we had a serious overcrowding problem and were not able to find other places for our prisoners at the present time.

Mr. Munro (Esquimalt-Saanich): It is my information that the citizens have not yet submitted—

Mr. Speaker: Order, please. Perhaps the hon. member might ask his supplementary.

Mr. Munro (Esquimalt-Saanich): Is the minister prepared to release to me what he calls representations made by the citizens of the community, because I understand they have not fully submitted representations with regard to their problems?

Mr. Allmand: Mr. Speaker, it was my impression they had submitted them. It was on that basis we examined and replied to them. They suggested, for example, that we

transfer the medium security institution to another location. I looked into that. They also made other suggestions.

Mr. Speaker: Order, please. Perhaps the minister and the hon. member might discuss the matter further in a private discussion.

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[*Translation*]

EXTERNAL AFFAIRS

DISCUSSION BETWEEN MINISTER AND LANGUAGE COMMISSIONER RESPECTING BILINGUALISM—DEPARTMENT'S DIRECTIVES

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is for the Secretary of State for External Affairs.

Following the release of the second annual report from Mr. Spicer, did the minister have any personal exchanges with the latter as regards bilingualism within his department?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Not to my recollection, Mr. Speaker. I have talked to Mr. Spicer from time to time, but not recently about this question.

[*Translation*]

Mr. Wagner: I wish to ask a supplementary question, Mr. Speaker.

Did the minister give instructions to his departments various missions abroad in order that the bilingual and bicultural image of Canada outside the country stood out better, thus resolving the grievances in this area contained in Mr. Spicer's last report?

[*English*]

Mr. Sharp: Yes, Mr. Speaker.

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INDIAN AFFAIRS

JEANETTE LAVELL CASE—REASON FOR SURVEY TO ASCERTAIN ATTITUDE OF NATIVE WOMEN

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Secretary of State. Will the minister advise why a survey is being conducted under the aegis of his department among native women in the province of Alberta as to their attitude toward the outcome of the Jeanette Lavell case which is presently awaiting adjudication by the Supreme Court? Also, will the minister say why this governmental service is being carried out before the Supreme Court decision is made known?

Hon. James Hugh Faulkner (Secretary of State): I will have to look into this, Mr. Speaker.

[*Translation*]

AIRPORTS

SECURITY MEASURES—SUGGESTION THAT MEMBERS OF PARLIAMENT BE EXEMPT FROM SEARCH

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I believe I speak for all hon. members in putting this question to the Minister of Transport.

As everyone knows, every time we want to board a plane in a Canadian airport, for reasons of security we are searched, we are frisked. Might it be possible for members of parliament to use their identity cards to avoid that regulatory search?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is certainly not something we have considered. Even the ministers, even the Prime Minister, are searched; the Minister of Transport, especially, is searched each time he boards a plane. That would be too easy; they may be the ones who are most dangerous, Mr. Speaker.

* * *

[*English*]

EXTERNAL AFFAIRS

IMPRISONMENT OF MICHAEL CHAPPEL IN CUBA—INQUIRY AS TO TERMS FOR RELEASE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. First I wish to thank the minister and his department for the co-operation which the citizens of Calgary received. My question refers to Michael Chappel who is in custody in Cuba. This person escaped from a shipwreck and is now being held as an illegal entrant to Cuba. Will the minister advise whether the Cuban authorities are still holding out for a ransom of $4,000 and whether Mr. Chappel is going to be released?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I would like to make further inquiries before answering this question, which I will do on Monday.

* * *

● (1200)

MANPOWER

LOCAL INITIATIVES PROGRAM—INQUIRY AS TO PERMANENCY OF PROGRAM—POSSIBLE MERGER WITH OPPORTUNITIES FOR YOUTH

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of the fact that many community groups across Canada are held up in planning their fall and winter programs because of the uncertainty of the continuation of LIP, will the minister state now whether LIP is to become a permanent program of the government?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am not in a position to make any statement with regard to the permanency of LIP. I

would indicate that my colleague, the Minister of National Health and Welfare, in a recent paper and statement indicated the consideration by the government of an employment strategy in connection with income security. I will also add, for the hon. member's information, a reference to our comments earlier when we extended the Local Initiatives Program this summer in which we gave a fair warning to those people who received extensions that they were for a precise period of time.

Mr. Speaker: Order, please. The hon. member may ask a supplementary, but there are only three or four minutes before the end of the question period. Perhaps I could have the co-operation of hon. members to allow as many questions as possible without supplementaries.

Mr. Roche: Mr. Speaker, is it now the policy of the government not to merge LIP and OFY, and when can we expect a clear statement of policy?

Mr. Adras: Mr. Speaker, no such policy decision has been made. It is still the subject of examination and we are proceeding to a decision as quickly as is wisely possible.

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TRANSPORT

REMOVAL OF "IRVING WHALE" FROM ST. LAWRENCE—REASON FOR DELAY

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I wish to direct a question to the Minister of Transport. Is it the intention of the government to attempt to remove the *Irving Whale* from the Gulf of St. Lawrence before winter sets in and, if this is not the case, could he assure the House that the delay is caused solely by engineering and physical problems, rather than by any other problems? Would the minister assure us that the rumour that there is a police investigation into the circumstances under which the government attempted to let a contract for this undertaking is not accurate and that is not, in fact, the cause of the delay?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the police investigation is completed and the attorney general of Nova Scotia has a report. What action he will be taking, I do not know. The decision about the removal of the *Irving Whale* has no relationship to the other investigation.

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INFORMATION CANADA

SUGGESTED DISBANDMENT—GOVERNMENT POSITION

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is directed to the Minister of Labour. Since the Prime Minister has now expressed his view that Information Canada has failed because of "the general suspicion that it was a propaganda machine", is it the government's intention to disband Information Canada?

[Mr. Andras.]

Hon. John C. Munro (Minister of Labour): No, it is not, Mr. Speaker. As the hon. member is aware from the proceedings which took place before the committee, we were prepared to acknowledge that it has not been able to fulfil its mandate in terms of the federal presence in Canada, as the Prime Minister indicated. That is in no way to indicate that something still cannot be done in that connection. I am certain it is the wish of all hon. members that that objective be reached.

* * *

AGRICULTURE

CONSTRUCTION OF STORAGE FACILITIES FOR FRUIT—GOVERNMENT ACTION

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of Agriculture. Can the minister tell us when legislation will be introduced for the subsidization of capital construction of storage facilities for tender fruit growers and apple growers of Canada? I refer to construction for the purpose of increasing storage facilities, which would reduce waste in peak periods of production and would also indirectly increase our food production and help stabilize fruit prices to the consumer.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think the hon. member has been reading one of my old speeches that some people say were non-productive. But if he can wait a few more days, I am sure he will be satisfied.

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GRAIN

WHEAT—REQUEST FOR ASSURANCE CONSUMER SUBSIDY PAID TO PRODUCER AND NOT ON ACREAGE BASIS

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, I should like to direct a question to the minister in charge of the Canadian Wheat Board. In view of the fact that the wheat growers will no longer be called upon to subsidize the Canadian consumer, could the minister go further and assure the wheat producer that he will not be asked to subsidize the rapeseed growers and the barley growers, and will he assure the producer that the $1 consumer subsidy will be paid directly to the wheat producer and not on an acreage basis?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, that argument is one that has gone on for some time about the best method of paying the $60 million representing the $1 a bushel for wheat consumed in Canada. When the producers themselves, all of whom are potential wheat producers, were consulted about the matter they voted 87 per cent in favour of an acreage payment.

INCOME TAX

INQUIRY AS TO COMPLETION OF PROCESSING OF RETURNS—SUGGESTED PAYMENT OF INTEREST ON OVERPAYMENTS

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I should like to direct my question to the Minister of National Revenue. In view of the concern expressed by many taxpayers, could the minister advise the House when his department expects to complete the processing of income tax returns for the year 1972?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, since the end of last month the initial bulk processing of returns has been completed. As of today, about 99 per cent of all refunds to which taxpayers are entitled have been sent out. It is normal that for some weeks hereafter there will be discussions with some taxpayers concerning their entitlement. But I think the department should be congratulated for sending out refunds faster than ever despite so many changes.

Some hon. Members: Oh, oh!

[*Later:*]

Mr. Patterson: Mr. Speaker, I should like to direct a supplementary question to the Minister of National Revenue. In view of the delay in processing many income tax returns, would the minister give consideration to paying interest on overpayment of tax at the same rate as is charged by the department on underpayment of tax?

Mr. Stanbury: Mr. Speaker, if I were permitted by law, I would be very glad to do so. However, we do pay interest from May 1 at the rate permitted by law.

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AGRICULTURE

SUGGESTED INCREASE IN RESEARCH INTO PROTEIN PRODUCTION—GOVERNMENT POSITION

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is for the Minister of Agriculture. Because of the high cost of protein, and in view of the fact that Canada could rectify this problem and become self-sufficient in protein production, is the minister now prepared to authorize more money for research into high-protein crops and the elimination of thioglucoside in rapeseed?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have research programs in this respect. As I said before, I believe, to some hon. member of this House, I think we are doing more in this field than any other country and plan on doing even more.

Mr. Speaker: Orders of the Day.

GOVERNMENT ORDERS

[*English*]

IMMIGRATION

MEASURE RESPECTING CERTAIN IMMIGRATION LAWS AND PROCEDURES

The House resumed, from Thursday, July 19, consideration of the motion of Mr. Andras that Bill C-212, respecting certain immigration laws and procedures, be read the second time and referred to committee of the whole.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Baldwin: Yes, Mr. Speaker.

Motion agreed to, bill read the second time and the House went into committee thereon—Mr. McCleave in the chair.

● (1210)

On clause 1—*Immigration regulations, part I, s.28.*

The Chairman: Order, please. The discussion is on clause 1. Shall clause 1 carry?

Mr. Baldwin: No, Mr. Chairman; we have to continue the lesson begun last night. This is the second phase of the lesson. I am glad to be speaking with the Prime Minister temporarily in the House. It is rather interesting to note that this legislation was brought in only because the government was in difficulties. This government does not believe in legislating unless it has to. It does not believe in consulting representatives of the people unless it is *in extremis* or in a very grave situation, when they will say: We have to legislate.

I will not be any more critical of the minister because, as I said last night, he is only the most recent of a very long line of ministers who have had this problem. We are here because of the failure of the government to consult us, to secure the advice of the House, and to secure legislation. There are one or two questions which I want to ask the minister. As I pointed out last night, we have to deal with this matter because of the decisions of the Supreme Court, the Federal Court and the Immigration Appeal Board. There were several decisions.

I would like to know—I raised this question briefly last night, and the minister will have an opportunity to make a general statement about it—what the scenario is for new legislation. Are we to have from the government a green paper? Are we to have reference to a committee of the House of the problems related to immigration? Are we to take up where we left off in 1967, have a chance to examine what has transpired since and what needs to be done?

Last night, the hon. member for St. Paul's, followed by myself, dealt with the passage of the new Statutory Instruments Act. I am glad to see the hon. member for Windsor-Walkerville here; he will recall that during the discussion by the select committee which considered the question of statutory instruments, one of the major concerns was the extent to which the government could alter

by a stroke of the pen the immigration practices, the right to restrict, expand and extend the opportunities of people to come into the country under the order in council provisions contained in section 57 of the Immigration Act. I mention section 57 because it brings us to the first clause of this bill which refers to the right of the government pursuant to section 57 of the act. This is the regulatory granting clause.

I would ask the committee to look at section 57 and the enormous authority which in 1952 the House of Commons invested in the government, giving it unrestricted power of almost life and death over the opportunity of people to immigrate to this country. Section 57 of the Immigration Act provides:

> The governor in council may make regulations for carrying into effect the purposes and provisions of this act and, without restricting the generality of the foregoing, may make regulations respecting.
>
> (a) the terms and conditions under which persons who have received financial assistance to enable them to obtain passage to Canada or to assist them in obtaining admission to Canada may be admitted to Canada;
>
> (b) literacy, medical and other examinations or tests and the prohibiting or limiting of admission of persons who are unable to pass them;
>
> (c) the terms, conditions and requirements with respect to the possession of means of support or of passports, visas or other documents pertaining to admission;
>
> (d) the admission to Canada of persons who have come to Canada otherwise than by continuous journey from the country of which they are nationals or citizens:
>
> (e) the prohibiting or limiting of admission of persons brought to Canada by any transportation company—

This incredible power was given in 1952 by the Canadian Parliament to the government. Obviously, it is utterly impossible for the day to day decisions with regard to who should come to Canada, how they should come in and under what conditions, to be made by parliament. Anyone will admit that. But there must be a better method and a better opportunity for the House to scrutinize the rules and regulations under which the government operates. I made that point very emphatically yesterday, and I would simply ask the minister now to give us some idea of his plans.

I know, and the minister knows better than I do, that proposals have been made from time to time to draft new legislation. Some of those proposals have reached cabinet, some have been rejected. I can understand the political and other problems which face the cabinet in having to come to a conclusion. Officials of the immigration service would like nothing better than regulations which have received parliamentary approval, in order to avoid having to come to the minister to secure orders in council day in and day out so they can deal with situations which have suddenly arisen.

I recognize the difficulties of people in the service, in the government and in the House of Commons. However, I suggest the minister and the government take their courage in their hands, refer this matter to the committee and let the committee have complete freedom of access to departmental records, to talk to people in the government service and to private and quasi-public associations which have some knowledge of the facts relating to immigrants or people who come to Canada as visitors. We all know of the problems. Let the problems be settled in the forum which exists for that purpose, that is, the Parliament of Canada. I suggest, with due deference to the minister—I think he probably agrees with me—that we should dump the whole thing in the lap of parliament and say, "Here is the problem. Here are the difficulties. Here is the green paper. Here are some proposals.

I suggest that a committee should be established and empowered to consider the whole spectrum of immigration difficulties, not only with regard to admission but with regard to economic possibilities. The committee should consider what can be done, for exemple, with regard to parts of western and northern Canada and problems in Quebec. We know they exist. I can understand the government, faced with the political difficulties, having some hesitation. Let this matter come to the House of Commons, representing all the people of Canada. Let them grapple with it and solve the problems.

• (1220)

Of course, the government is not bound to approve all recommendations. It has the right of veto or of changing them when the new legislation is introduced. I recognize that the minister cannot bind the government, but at least if we had an earnest of his intentions, through a statement made today, it would be of some benefit not only with regard to this particular measure but to the extent to which this problem affects very many people throughout the country.

Mr. Lambert (Edmonton West): Mr. Chairman, I had hoped to have some material in front of me, particularly a judgment of the Immigration Appeal Board which is relevant to clause 1 of the bill. First let me say that I object violently to this type of procedure. Perhaps I wore out my welcome with previous ministers of immigration, telling each of them that the practice in force since 1967 was wrong and that we were building up real problems.

I do not know at how many hearings on the estimates of the Immigration Appeal Board and of the department I raised the problem of the increasing number of appeals. I appreciate what the problem is but I have extreme difficulty in understanding why the House is not being asked to amend the Immigration Act. Section 7(3) of the act, as interpreted by the Immigration Appeal Board, allows people who are rightly in the country to appear before an immigration officer and to obtain a special inquiry pursuant to that section, after which they are in the circuit for the full immigration appeal procedures. If that is the case, why not amend section 7(3) or, for that matter, all of section 7? But now we are being asked to approve a regulation flying directly in the face of a statutory provision. That is an abuse of the parliamentary process.

In future, practitioners who look at the Immigration Act to determine the rights of individuals under section 7(3) will also have to look at this little, two-clause bill. On the face of these clauses, section 7(3) and regulation 28 are incompatible. That being the case, why is this procedure being adopted? What bothers me about the bill is that it has retroactive effect, in the same way that the regulations issued late in November or early December last year had retroactive effect to November 3, thus affecting the

rights of people already in the country, depriving them of rights which they had when they entered the country.

According to the Immigration Appeal Board, deportation orders made pursuant to regulation 28(1) on the sole ground that those involved did not have the appropriate visa, were illegal. But parliament is being asked to say that, notwithstanding the inconsistency between the regulation and the statutory provision, those deportation orders were legal. I find this to be an abuse of certain rights. Of course, it must be remembered that in the case of many deportations there are separate grounds. These may be included under regulation 5(t). Other reasons may include suppression of information and the making of untrue statements. Since last November there has been added the further ground of not being in possession of a visa as required by regulation 28(1).

As a matter of fact, Mr. Chairman, I have appeared before the Immigration Appeal Board on cases arising out of regulation 28(1). I say that those deportation orders must now be vacated. There is no way in which you can sentence a man illegally and then ask parliament to approve the sentence. We would not do it with a criminal but where, in effect, deportation orders have been declared to be illegal, parliament is being asked to legalize those orders. I contend that if there are no other valid grounds for these deportation orders, they must remain vacated.

Parliament is being asked to legislate retroactively. To that, sir, I object. If my material reaches my desk soon, I hope to go into the wording of the sections and of the regulation and deal at length with the decisions of the Immigration Appeal Board. Again I say I recognize the problem, but I do not think we should hurry to crush the rights of certain individuals in this country. I cannot sanction that.

There is another matter to be considered in connection with clause 2. Again I stress the inconsistency between regulation 28(1) and section 7(3) of the act. I recognize the problem faced by the minister; the door is wide open. But I contend the remedy lies in amending the Immigration Act, not in making regulations.

All too often we are told that the regulations made under the Immigration Act have the approval of parliament. That is utter poppycock, Mr. Speaker. Regulations made under that act from time to time since 1952 are rarely, if ever, subjected to scrutiny by parliament. They are made by the minister on the recommendation of his officials. No one can give an objective assessment of those regulations. It is on that count that I find this procedure difficult to accept. There should have been on amendment to the Immigration Act. Regardless of what parliament is being asked to do here, the governor in council still will have power to pass regulations which are absolutely contrary to the wording and to the spirit of the statutory provisions.

● (1230)

I hope we can get an answer from the minister as to why the government did not amend the Immigration Act in the proper way, rather than asking parliament to give retroactive approval to deportation orders which I submit never should have been made if they were made on the grounds only of regulation 28(1).

Immigration

Mr. Danforth: Mr. Chairman, while we are dealing with this bill affecting immigration, I should like to bring to the attention of the minister that I agree completely with the proposition of the hon. member for Peace River that the Parliament of Canada should play a greater part in deciding upon the major regulations that are enforced by the Department of Manpower and Immigration.

I deal with a specific problem faced by our agricultural industry, where we are now depending more and more upon the importation of offshore labour on a seasonal basis in order to adequately harvest and plant crops. It is completely within the jurisdiction of the Department of Manpower and Immigration to determine how this program is controlled. In my considered opinions, the department is not aware of the peculiar problems that are growing in magnitude because of the way in which their regulations are administered.

The Department of Immigration, through the minister, takes the position that when we have high unemployment in Canada, no matter in which region it may be, this justifies their saying that there is sufficient competent labour available for the harvesting of crops. This question is particularly important now because of the fear of consumers that scarcity of food in Canada can cause an undue increase in its price.

The attitude of this government has been that if you do not want to work, you shuold not have to do so. I raise this matter because the Prime Minister reaffirmed the position of the government that a Canadian should not have to work if he does not want to. Mr. Chairman, many people do not like to work in agriculture. They do not like the monotony, the conditions and the fact that you work sometimes in heat and sometimes in cold. That is all right; they do not like it and they should not be forced to work at it. We all agree with that. But the department takes the position in most cases that Canadians should want this type of work.

Then there is the allegation by the Department of Manpower and Immigration that if the farmers of this country were to pay wages or salaries comparable to those received in industry, there would be no difficulty in obtaining competent farm labour. This is a fallacy. This is not why we have a scarcity of farm workers; we have a scarcity because in many instances it is seasonal work, short-term in nature. There is not the permanency that is found in other positions. When the minister and the government say to me, as a representative of the agricultural industry, that farm labour is not paid enough, let me point out that in many instances the $30 to $40 for an eight-hour day which some farm workers are now receiving is comparable to many industrial jobs, and it is impossible to obtain farm labour at these rates. In desperation, farmers have left it entirely up to the workers as to what their wages shall be; they have put the work on a unit basis so that the worker is paid in direct proportion to productivity. There is no limitation, other than physical capacity, on the wages workers can earn.

I have walked into canning and processing plants where there are cafeteria and washroom facilities comparable to most hotels. I have seen a 19-year old girl making $40 a day. We cannot quarrel with this type of wage. However, most of our harvest season occurs when students, who

would ordinarily provide a large block of labour, are returning to university and secondary schools. It is wrong for the government to feel that we do not need offshore labour because students will be available. There are many students who do not want to work on farms. I do not quarrel with this. However, many are prepared to do so, but the school term begins early in September.

What do primary producers do? How do they obtain labour? Many of them have encouraged offshore labour over the years which comes from three sources, the Caribbean, Portugal and Mexico. We need this labour, Mr. Chairman, and these people are used to working in the heat. They are used to working in agriculture, and they are satisfied with the pay scale. Everybody is satisfied: the workers are satisfied, the primary producers are satisfied and the consumers of Canada are satisfied because we are getting the crops harvested. Everybody is satisfied but the Department of Manpower and Immigration. They will not grant work visas now to people from Portugal or to people from Mexico. They say they have made an arrangement to grant visas to Caribbean workers. That is fine. We get very good workers from the Caribbean—we also get poor workers from the Caribbean—but they are not available through a sufficient number of outlets. We need more.

Mr. Chairman, the reason I am so serious about this matter is that we have crops right now that are not being harvested because we cannot get enough labour: it is not available. I talked to a primary producer yesterday who said that in the last week he had hired 45 workers sent by the local Manpower centre to work at his establishment. They came and they left. It was not a matter of wages; they just did not want to work.

We brought in labourers from other regions of Canada. This was encouraged by the government, and I give them full marks for it. but what did they say when they got here? When they were on the job they said, "The work is fine. We shall work from eight until ten, from two until four, and if you need us from seven until nine it will involve overtime pay." How in the world can the producers of this nation make food available to Canadians at reasonable prices under conditions like that?

So, Mr. Chairman, my question to the minister is this: Why not bring this question to parliament and let the men and women of this nation who represent the agricultural industry, and the consumers, have a voice in determining what the regulations shall be and whether there shall be offshore labour imported into this country? I feel that Canadians should provide work for Canadians wherever possible; Canadians should have the first opportunity to work. But, Mr. Chairman, if Canadians do not want to work at this job—many of them do not, and have expressed this feeling in no uncertain terms—then I say that the producers of this nation are entitled to offshore, competent labour from wherever it may come, if these people are willing to work under the conditions prevailing in Canada today and produce crops for Canadian consumers.

This is my quarrel with the minister. I do not think he sees this point or understands the situation, so I take this opportunity to bring it to his attention once more. We must have a solution, and we must have it now.

[Mr. Danforth.]

Mr. Gilbert: Mr. Chairman, the minister last night said that the effect of the Federal Court decision would apply to 10,000 cases which are before the Immigration Appeal Board at the moment, and the effect of the Immigration Appeal Board decision would apply to 1,752 cases. This is approximately 12,000 cases that may be affected by the two decisions. I should like to ask the minister what the state of those cases is now, whether they will be proceeding with them or waiting until this law is passed before proceeding with them under the adjustment of status program set forth in Bill C-197. That is the first question.

● (1240)

My second question is this: What about the two cases which have been referred to, the Immigration Appeal Board decision and the Federal Court decision? What will be the effect on the appellants in those cases? If the board has no jurisdiction to deal with these people, what is their present status? They would not be landed immigrants unless the board directs that they become landed immigrants. I ask the minister, what has happened to those two cases affected by the present legislation?

Mr. Andras: Mr. Chairman, I will do my best to respond to the various points and questions which have been raised. I will deal first with those raised by the hon. member for Peace River. I find myself agreeing greatly with many of the suggestions he made. We have already stated the substance of what we planned to do today in reviewing immigration policy. I said that on a previous occasion, in another forum of parliament, when I spoke before the standing committee on June 20:

> I can now announce that the government has undertaken a review of the whole field of immigration policy and it is intended to meet the needs of Canada a decade from now as well as those of today. Proposals based on this review will be written into a policy paper for submission to parliament and the Canadian people as a springboard for public examination and debate. That should precede the drafting of a new act.

This policy paper has been labelled by some as a green paper. That is fine with me; I am not concerned about any colour definition.

We intend to proceed as quickly as possible with the development of such a position paper and intend to place it before parliament in an appropriate manner. At the moment I assume we shall place it before a standing committee. It could be the Standing Committee on Labour, Manpower and Immigration. We shall put it before the committee for examination and discussion with a view to its perhaps being debated in this House. I hope to go further than that in the sense of consulting with interested groups, parties and individuals in this country on the development of a new and contemporary immigration policy that will serve for several years to come.

In that connection I would agree with the hon. member for Peace River regarding another comment he made about provincial interest in this field. Not being a lawyer and not being a constitutional expert, I would not want at the moment to ask the House to listen to my views on the exact legality or constitutionality of where we stand vis-à-vis the provinces on this matter. I certainly understand that they have a constitutional interest in this field, although I think the federal jurisdiction is paramount. Whether that is the case or not, I bring to this question

some biases and observations from a previous portfolio for which I was responsible, that of urban affairs, inasmuch as I sensed the growing concentration of population in the urban centres of this country.

I therefore consider it a practical requirement that there be consultation with the provinces and others on immigration policy. We must consult on the quantity of immigration at any given time, because the provinces, after all, are the recipients of immigrants who reach this country and the provinces must deal with them in terms of education, of housing, of welfare and in a whole series of areas in which, although some responsibilities are joint, the provinces have full jurisdiction in others. I am referring to the ability of provinces to implement necessary government assistance programs that will help immigrants. I think the consultation will need to take into consideration social and cultural factors as well as economic ones, which of course are most important considerations as well.

So I agree with the hon. member for Peace River about the method of obtaining wide debate and on there being full respect for the parliamentary process. He and I are very much in agreement on the necessity of doing this. I am hopeful that we will produce a policy paper, place it before parliament or an appropriate committee, and before the country and then receive from all interested peoples and groups throughout Canada advice and suggestions. All this we could then consolidate into a consensus. Then we would come forward perhaps with a more firm position and introduce a white paper. However, hopefully, by that time we will be moving on to legislation that will reflect a new, enlightened and good immigration policy.

The question arose—I think the hon. member for Peace River referred to it, and I recall that last evening the hon. member for St. Paul's made the point—as to whether procedures laid down by the Statutory Instruments Act has been followed last fall when regulation 34 was revoked and regulation 28, subparagraph (1) was amended. I can only say I have been assured that the procedure required by the Statutory Instruments Act was followed and the required reference was made. I say that on the basis of advice available to me. That matter in question was referred to the Privy Council and to the Department of Justice. So the required procedure was followed.

It then becomes a question of opinion. Legitimately, there can be opposing attitudes on whether an amendment will or will not stand up in law. As I say, according to the best advice of the legal people available to us, the procedure was followed. We were informed that this was possible, and we still hold to that view.

Mr. Lambert (Edmonton West): How can the minister deny the Supreme Court judgment?

Mr. Andras: With respect to the hon. member's interjection, I am saying that last night the question arose as to whether under the Statutory Instruments Act a regulation was referred for approval to the Privy Council and to the Department of Justice, as is required by that act. I give the hon. member the assurance, as I have been assured, that this procedure was followed. Not being a lawyer, and as we will be seeking leave to appeal this decision, I would not attempt, nor do I think that this is the forum for me to do so even if I were capable of it, to argue the legality of the decision of the Immigration Appeal Board or of the Federal Court in the case of Koo Shew Wan. I know what my bias and opinion is, and I think that matter will be dealt with if leave to appeal is granted.

The hon. member for Peace River also referred to section 57 of the Immigration Act and quite rightly said that this is the phraseology from which the power of regulation flows. The question as to whether these powers in the act, which are clearly there, are excessive or not I will not take the time of the House in answering. That is the kind of matter, among many others, that will be the subject of productive and constructive examination when we come to the real guts of the examination of immigration policy and of the legislation that will entrench that policy into law in this country.

I admit being impressed by the hon. member's argument. My attention has been drawn recently to the wisdom of such suggestions. I am often surprised about the degree of power contained in regulations. I wonder, however, how one maintains the delicate balance between the flexibility that is required and any possible rigidity in law. I know hon. members realize that flexibility is often required if one is to meet situations from day to day. I know, for instance, that the points system by which we judge the admissibility, eligibility and compatibility with Canadian society of an applicant was developed in 1967 and has continued without refinement. I myself will be examining this. I think perhaps there should be more frequent examinations of these matters, particularly in the earlier stages of any new approach. Nobody is perfect, but you begin with a sincere desire to find a good solution. One finds that practical experience dictates changes in this and changes in that area.

If we have to come back to the House every time we wish to make changes, we might find ourselves in difficulties. However, I do not think it can be argued that there are not parameters and that there are not boundaries within which we can and should be able to move. They may be somewhat narrow, and we must move between too much flexibility in regulation and perhaps too much rigidity in law.

Mr. Baldwin: Is that not the value of discussion in committee? Is not committee discussion bound to be useful?

● (1250)

Mr. Andras: It is, again, a matter of opinion whether an amendment to the Immigration Act would have been a better method of proceeding or whether a separate act should be presented. There is argument on both sides. We chose to go this way, recognizing, and we frankly admit it, the emergency situation we face, the timing, and so on.

Mr. Lambert (Edmonton West): Bad cases make bad law.

Mr. Andras: Well, that is another argument. Our action in doing this by amendment may cause inconvenience to lawyers at a later stage because they would have to consolidate their information not only with the Immigration Act but with this measure. But again, it might be possible

at a later date to tie together those technical, administrative process matters when we deal with the act itself.

I tried to deal with the question of retroactivity last evening. I sense that we may not reach agreement, but I state again my feelings. I find retroactivity, in terms of changing the rules of the game on a retroactive basis, to be repugnant but in this instance I believe we are maintaining what was the intent of the government and, I still say, a validly stated intent through section 57 of the regulations—

Mr. Lambert (Edmonton West): This is wrong.

Mr. Andras: The hon. member says it is wrong. The Immigration Appeal Board has said it is wrong. We, however, proceed on the basis that it is right and seek leave to appeal. As I said last night, I would take my chances on that appeal to a superior court except for the emergency situation we face right now, the time which would be bound to elapse before a decision was reached, the harm which would be done to this country as well as to very many innocent people, the harm which would be done by irresponsible and reprehensible actions on the part of so-called immigration counsellors who have exploited innocent people in countries abroad before. So we decided to deal with the matter in this way, on the grounds of urgency. I do not argue that this is not retroactive in the strictly legal sense of the word. In the sense that it amounts to changing the rules, I do not believe it is.

The hon. member for Kent-Essex raised a point which has been bothering him for some time. I can tell him that I am concerned about it. However, this is more a manpower situation than one which concerns immigration. But since I have to deal with both I cannot really dodge that issue, either. There are certainly more than 6,000 offshore workers here now, including foreign students, who will work at these jobs and there is an increasingly effective foreign seasonal worker program. We will pay more attention to this.

We do not intend to unecessarily deny an employment visa to Portuguese or any other workers who are in this country or who can be brought to this country. Indeed, we will try to get them here, through the program I have described, to engage in occupations which Canadians will not undertake. I do not think time is available to me in which to embark on a whole discussion about the erosion of the work ethic, and who is or who is not at fault here. I will simply say it is a phenomenon which is occurring throughout the western world.

We have experienced difficulty with some employers when we have suggested bringing offshore workers in. I should point out that we are obliged to conform with provincial labour standards and other standards. We cannot bring foreign workers in if working conditions, including but not limited to wages, are substandard. We will co-operate in an effort to find innovative ways to overcome some of these problems involving housing, accommodation, and so on. The hon. member can doubtless point to many employers who do meet the appropriate standards. But there are, unfortunately, other employers who will not conform and who then scream murder and say that we are contributing to an erosion of the work ethic. However, I am well aware that the important thing is to get food costs down, and this means production.

As to the appeals before the court, where the people involved are eligible under the adjustment of status program I enunciated the other day, to the degree it is within our jurisdiction we shall continue to apply relaxed criteria in recommendations to my representatives before that court. This matter is ultimately under the jurisdiction of the Immigration Appeal Board, but I have reason to beleive the board will look upon this with sympathy as it did in the case of a similar program which was successfully carried out last summer. I am very glad to say, with regard to a particular case with a name attached to it, the case of Miss Nazarali, she will be landed even if our appeal to a higher court is successful. Many of these cases will succeed, but I think on other grounds, grounds which will not jeopardize our ability to control the situation in the future. In the Koo Shew Wan case—that is the Federal Court decision of May 23, I believe—there will probably be another inquiry held, though on what basis I am not sure right now. But I am totally sympathetic to the individual situation there, and I will do my best to make sure that in setting our house in order we do not trap those two individuals.

Mr. Lambert (Edmonton West): Mr. Chairman, I am more concerned than I was before at the minister's casual approach to what I say is really a case of retroactivity. The minister seems to have the wrong impression as to the nature of my objections. I am not objecting to the closing off of applications to become landed immigrants made by people who come here as visitors. I have never objected to that. Therefore, action taken by parliament to close that avenue is perfectly legitimate as far as I am concerned. However, I do not accept that it is right that parliament should be asked to do it in a way which the Supreme Court of Canada has condemned.

I hope the minister will read the judgment of the majority in the Podlaszecka case. Mr. Justice Laskin was most pointed in his remarks. How the minister's legal officers or the Department of Justice can suggest it is possible that there is a remaining difference of opinion following the judgment delivered by Mr. Justice Laskin, I fail to see. It is this point which concerns me. Those people who were ordered deported between the end of November and the end of June, or as a matter of fact up to now, under the general grounds of regulation 28 (1)—

An hon. Member: One o'clock.

The Chairman: Order, please. An hon. member has noted that it is one o'clock.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

The Deputy Chairman (Mr. Laniel): When the committee rose at one o'clock it was considering clause 1.

Mr. Lambert (Edmonton West): Mr. Chairman, I do not wish to delay the committee much longer. In complet-

ing my remarks, I wish to emphasize for the third or fourth time, as some of my colleagues have done, that the people who particularly concern me are those who had an order for deportation made against them under the provisions of regulation 28(1) which was *brutum fulmen*. There was a total incapacity to pass that order in council in light of section 7(3) of the Immigration Act. Those people have had their status affected by the deportation order.

I cannot accept the proposition of the minister that we are now going to pass curative legislation which has the effect of restoring deportation orders made under regulation 28(1), and possibly section 5(t) when the courts have declared that regulation 28(1) is an invalid ground for deportation. Such deportation order was void *ab initio*. There were no grounds for it and it must be void. Yet the minister is asking parliament to breathe life into these deportation orders for which there was no ground in the first place.

The minister can talk all he wants about legal niceties, but according to the estimates given by the minister it may be a lesser number; certainly it will not be a greater number than the 1,700 who were caught under inquiry and had a deportation order made against them under regulation 28(1). I refer the minister and his officials to the Podlaszecka case, a decision of the Supreme Court of Canada which is totally binding and cannot be appealed. With this two-clause bill the minister is asking that that decision of the Supreme Court of Canada be wiped out in so far as it affects the interpretation of section 7(3). The minister has not put forward any grounds why parliament should set aside that Supreme Court of Canada decision. The minister complained about the Immigration Appeal Board decision, but the principle will still apply to the Supreme Court decision.

The only way to get around this is to amend the statute, not to ask this House to deem valid an invalid regulation. Why on earth the statute has not been amended, I do not know. This is merely trying to justify a bad case. If the minister was not satisfied with the Immigration Appeal Board decision and felt he had a case in law, an appeal should have been launched right away. He should not come to parliament to suppress the rights of the 1,700 people whose rights are going to be affected.

I certainly agree that a plug must be put in, but it should be put in there now. Why act retroactively? The minister has a bad case. He now comes to us in an emergency. Visitors to this country can now apply under section 7(3) of the Immigration Act to become landed immigrants. I realize the pressure there, but such pressure is a bad basis for this type of law. All I can say is that I must oppose the minister's action in this regard. I think it is wrong. Let the minister proceed the right way by amending the section, and then I would agree with him; but not retroactively.

● (1410)

The Deputy Chairman: Shall clause 1 carry?

Mr. Lambert (Edmonton West): On division.

Clause agreed to.

On clause 2—*Persons deemed to have reported.*

Immigration

Mr. Reid: Mr. Speaker, there has been a typographical error in clause 2 of the bill. I have an amendment to correct that. I move, seconded by the hon. member for Pontiac (Mr. Lefebvre):

That Bill C-212 be amended by striking out the figure "1972-1616" in line 28 on page 1 thereof and substituting therefor the figure "1967-1616".

Motion (Mr. Reid) agreed to.

The Deputy Chairman: Shall clause 2 as amended carry?

Mr. Lambert (Edmonton West): On division.

Clause agreed to.

The Deputy Chairman: Shall the title carry?

Title agreed to.

The Deputy Chairman: Shall the bill carry?

Mr. Lambert (Edmonton West): On division.

Bill reported.

The Acting Speaker (Mr. Laniel): When shall the said bill be read the third time?

Some hon. Members: By leave, now.

Mr. Andras moved that the bill be read the third time and do pass.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, before we give approval to this measure, which my friend from Edmonton West (Mr. Lambert) regards with such repugnance—and I must say I share his view—may I ask the minister two questions which I have discussed with him. I have particular regard to the fact that a number of people who may be caught by this amendment may be deserving of consideration because of the special circumstances. I can think of no better illustration than that of the girl who landed here and gave rise to this leading case. She left her native land in full and honest belief that in coming here she would be entitled to qualify, and subsequently apply after having been a visitor, for landed immigrant status. She arrived in Canada the day after the revocation of the previous regulations came into effect. I would think that here is a case where discretion should be exercised to allow her to stay.

In addition, I would hope the minister would exercise his discretion under section 8 and examine these cases with his officials. I do not believe in ministerial discretion. I think that is one of the things that was made quite clear by the committee meetings of 1966-67. I am opposed to the handling of these matters through ministerial discretion. However, because this House, very reluctantly, in the nature of an emergency, passed this legislation I would urge the minister and his officials to consider all representations and even seek out, of their own volition, some cases where injustices have been manifested and where there has been inequity.

I hope the minister would exercise the discretion which resides with him and the department and use the same provisions as are contained, for instance, in the Criminal Code which give the benefit of doubt to the person con-

cerned. I do not suggest that there be a wholesale application of that principle, but I urge the minister to make sure that no real injustices are brought about in respect of people who came here genuinely believing they would be entitled to apply to stay, and have no other restrictions against them. If this happens, I think we will feel a little better about having consented to the passage of this bill.

Hon. Robert K. Andras (Minister of Manpower and Immigration): As I understand the hon. member's representation, and I think I do and I will re-examine it when it is available in printed form, I believe I can give the assurance. In the case of Miss Nazarali particularly, I am pleased to note in the Appeal Board judgment that in addition to creating the situation with which we are dealing in Bill C-212, there was a further expression of opinion, that had that not been the case the Appeal Board would have seen fit to perhaps grant her appeal on other grounds. That makes it, happily, easy for me to agree to the hon. member's suggestion.

There is another factor there which makes it quite possible, as illustrated by my comments under Bill C-197, in that she did arrive before November 30, 1972, and so on that ground also, to the degree that it is within my jurisdiction, since it is now before the Appeal Board, I will certainly make recommendations to my representative in this case to apply a relaxed approach to that appeal. I am reasonably confident that that effort will be successful, as I have previously indicated in the case of all appeals of that nature that were made by people who arrived here on or before November 30.

I am very happy in that particular case, with the name identified to it, to acquiesce. I had intended to do that in any event. Also, I think it is a good suggestion to examine other cases. I cannot commit myself to a wholesale removal of the prohibitions which may exist on many grounds. I want to be quite sure of my ground before I make an individual case commitment. But we will examine them. I think the objectives stated by the hon. member are shared by me and the department and, I am sure, by every member of this House. We are not trying to be punitive in respect of those people caught in this particular legal argument. We are most concerned about our ability to control the future. I would add my appreciation for the dispatch which this bill has received. He intend to see that it is carried out with the intent expressed by most of us.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, there is one thing I want to explain which I did not deal with before. My vehemence in this debate is not related in any way to the fact that the young lady in this case happened to be a resident of my constituency. I have never met her, and had never heard of her. I must commend counsel who represented her through her appeal for a very skilfully and intelligently argued case.

● (1420)

Again I will say to the minister that I am disappointed that the department has chosen to travel via this route. I think it is a shameful way to proceed. The right way to proceed would have been to amend the Immigration Act and to ensure that its implementation would have been as of now. I find it totally repugnant to accept that parliament is asked to resurrect deportation orders made on grounds that were found to be beyond the power of the minister. I cannot for the life of me see why we should be asked to validate that type of action.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: On division.

Motion agreed to, bill read the third time and passed.

* * *

CRIMINAL CODE

REINSTATEMENT OF LAW RELATING TO CAPITAL PUNISHMENT THAT EXISTED PRIOR TO DECEMBER 30, 1972

The House proceeded to the consideration of Bill C-2, to amend the Criminal Code, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: Perhaps hon. members expect the Chair to refer briefly to some of the motions which are before the House. I should like to refer in particular to motions Nos. 1, 4 to 10 inclusive, and 12. I must tell hon. members that I have serious reservations about the procedural aspect of these motions. I do not want to prejudge them in any way, and I know they are motions about which hon. members have thought a great deal.

I appreciate the fact that they were debated from a procedural standpoint when they were before the committee as amendments to the bill, and it may well be that hon. members would want to give their views from a procedural standpoint before the Chair is called upon to express his opinion on these motions. I would be grateful if hon. members were to offer advice and guidance to the Chair in this respect.

Mr. Jim Fleming (York West): Mr. Speaker, having heard your comments, and having attended committee meetings at which discussions were held regarding the admissibility of various amendments to the bill, including some which are before you for your consideration, I have the feeling that I may have difficulties, together with my colleague the hon. member for Saint-Denis (Mr. Prud'homme) who shares responsibility for putting them forward, in having them accepted by you. I rise at this time, not in any way to question your wisdom or the decision you must ultimately make, but to at least bring to your attention our arguments and our views on why we feel these amendments should indeed be accepted.

During the second reading debate on Bill C-2 about 130 speeches were made in which the constantly repeated issue was that of the degree of punishment. This matter was constantly raised and it was suggested repeatedly that it would be decided in committee the degree of punishment to be contained in the bill. On January 29, in the early stages of the debate, I gave notice while speaking on

Bill C-2 in the House that it was my intention, along with my colleague the hon. member for Saint-Denis, to put forward certain amendments, and I gave the basis of those amendments then. Several days earlier I, together with my colleague, announced my intention to the press. I also spoke to colleague on both sides of the House who I felt had some sympathy with our point of view.

Having done that, over a period of some five months speeches were made in a lengthy debate in the House and amendments or proposals to come before the committee were supported by some members and rejected by others. Never over that period of five months during first and second reading of the bill in the House, and then in committee, was there any suggestion of any procedural problem or inappropriateness in the approach until there was some question about the amendments and it was suggested that they would not be appropriate for consideration by the House. If I have erred in not checking with the table officials and asking for their opinion at an early stage back in January, I also erred in my conclusions regarding the committee meetings in 1967 when amendments, which included total aboliton, were put forward, without challenge, and then defeated.

I would not be putting forward these amendments had I not balanced total abolition with another aspect ensuring severity of punishment, and that is the next point I want to make. What is the principle in the bill, and is it indeed challenged? Are we attempting to change the principle with the amendments I have put forward? In committee, while the chairman of the committee ruled that to alter the one extreme of punishment in the bill, that is, for certain categories the penalty of hanging, would be to change the principle, there was no such ruling and an amendment was accepted for consideration to change the other extreme in the bill, that is, the ten-year minimum sentence by reducing it.

I am trying to argue: What is the principle, versus what are the specifics in the bill? I am saying that if the chairman of the committee ruled that the death penalty abolition changes the principle of the bill, then I fail to understand how the other extreme regarding a ten-year minimum sentence for the most heinous crime does not also change the principle. I agree that the principle of Bill C-2 cannot be altered, but I argue that the principle is the provision of an appropriate punishment for various categories of murder; it is not the specific punishment but the principle of appropriate punishment.

Whatever amendments have been offered either in the committee or now in the House, the principle of the bill, that is punishment for the crime of murder, has not been removed, nor do amendments put forward in committee or here suggest that that principle of appropriate punishment be removed. If the principle were based on death or no death as a specific, rather than general principle, of severe punishment many people might argue that a definite 25 years of incarceration more terrible than death. Whatever those arguments, my amendments to the existing contents of the bill or the contents of the original bill continuing to deal with the specifics of punishment all maintain the principle of the bill, which is punishment and the deterrence of this terrible crime.

I should like to summarize my arguments. It was the will of parliament as expressed during the second reading debate that real changes be made in the type of punishment in the committee and, if not there, that they be made here during the report stage, especially in the area of the degree of punishment. Also, in those speeches the possibility was mentioned of the removal or harshening of the death penalty factor. It was also the will of the House that the principle of severe punishment be maintained. Certainly that was the general feeling during the second reading stage. I feel that my amendments live up to that principle.

Very early in the debate on this bill notice was given of my intention, along with that of the hon. member for Saint-Denis, and during the five months this was not challenged. In fact, it was accepted as material for debate during second reading. The amendments were expected to be presented in committee, and they were found acceptable when they reached committee and voted upon. It is quite possible that a tight procedural interpretation may jeopardize the admissibility of these amendments, but I would like you to consider, sir, the free vote status of this bill, the lengthy notice given and the general acceptance of parliament over the months that these alternatives would be acceptable for consideration in committee. Surely this justifies their admissibility if parliament is to make a responsible decision on such a controversial matter without the constraints of party discipline.

Mr. Lawrence: Mr. Speaker, did I understand you to indicate that you also may have some doubts about amendment No. 11?

● (1430)

Mr. Speaker: The remarks which I made a moment ago were only to the amendments which stand in the name of the hon. member for York West (Mr. Fleming). I thank the hon. member for York West for the considerations which he has just put forth for examination by the Chair. Hon. members will appreciate the difficulty with which I am faced at the present time. I might say that the main difficulty with which I am faced results from the form in which the bill which is before us has been returned from the committee.

I have serious doubts as to the procedural admissibility of some of the amendments which were made in committee, but at the same time I wonder whether the Chair ought to exercise the initiative required to refuse to accept a bill as it has come to this House from the justice committee, and ask that it be returned to the committee for further consideration. There is no recent precedent that I know of, even with the assistance of the advisers to the Chair at the table, to indicate that the Chair could take this rather bold step of refusing, on behalf of the House, to accept a bill as amended in committee. I think that committees to some extent have to accept some responsibility and return to the House bills which contain amendments which are procedurally correct.

If the Chair were to take the initiative and suggest that some of the amendments, particularly an amendment or amendments which in effect amend the Parole Act, cannot be accepted, I would be placing the Chair, the committees and the House in the position that in every instance where

a bill returns from a committee there might be an appeal from rulings of committee chairmen, to the effect that the ruling of a chairman on a procedural point, accepting or refusing an amendment, should be reviewed. I wonder whether this is the position in which hon. members would want to place the Chair. It would be a very difficult position. Perhaps we should give the matter some thought.

If this were not a bill on which there is a cross-section of views on both sides of the House, there might be a tendency on the part of the Chair to take bolder action, refuse to accept the bill and suggest that some of the amendments proposed should not be received. But in view of the character of the bill, in view of the nature of the discussion which has taken place both in committee and in the House on second reading, I would very much hesitate to rule at this point that this bill should not be accepted and that the many hours, days and perhaps weeks of work spent by the committee in studying this matter, preparing amendments and referring the bill to the House for third reading should be discounted.

This is why at this point I would be prepared, on behalf of hon. members, to say that what we have before us is a bill with these amendments, and I will try to make my rulings on the motions now before us on the basis of the bill that we now have before us from the committee. But having said this, it does not necessarily make the hon. member's amendments more in order. I still have, in respect of the hon. member's proposed amendments or motions, the reservations which the chairman of the committee had when he was called upon to rule on those amendments.

I would think that hon. members would tend to share the hesitancy of the Chair in accepting the hon. member's amendments. The hon. member has referred to the principle of the bill and that, of course, is the difficulty with which we are faced. The purpose of the bill which was given second reading by the House, as I understand it, is to provide for the reinstatement of the law relating to capital punishment. The hon. member's motions in effect would remove those provisions from the bill. In other words, the amendments proposed are negative of the principle of the bill as approved on second reading. That is really the difficulty with which the Chair is confronted.

With particular reference to these several motions, I should mention that motions Nos. 2 and 3 would appear to be irregular on two or more grounds. These motions may be relevant to the subject matter of capital murder, but my understanding of Bill C-2 is that it is specifically directed to capital punishment. I would hope that hon. members, in comparing the bill which we had before us five years ago with the bill we have now under the title of Bill C-2, would note they are different in this sense, in that there is a different accent. What we have before us is, as I said, Bill C-2 which is essentially directed to capital punishment rather than to capital murder.

Secondly these amendments would purport to introduce into the bill provisions over and above those contained in the bill as given approval by this House on second reading. The first group of amendments purport to eliminate capital punishment. Motions Nos. 2 and 3 would increase the number of offences subject to capital punishment and, at the same time, reduce the number of offences punishable by imprisonment. In doing so, these two motions appear to me to run contrary to the provisions of the bill which was given second reading by this House. It would appear to me, also, that motion No. 11 is defective in that it proposes to introduce into the bill a provision unrelated to the purpose and provisions of Bill C-2.

[Mr. Speaker.]

In connection with motion No. 12, it appears to be procedurally acceptable, but considered in isolation it may be that the hon. member for York West might wish not to proceed with that motion. In other words, if the Chair looks on it as a separate motion, it only removes certain words from the bill before us. There is nothing wrong with that, but I assume the hon. member is proposing this amendment only if the other amendments are carried after consideration by the House. For these reasons, and with much hesitation, I would have to rule that the hon. member's motions are not in order and cannot be put to the House.

The next motion is the one which stands in the name of the hon. member for Louis-Hébert (Mrs. Morin). The Chair, again, had some reservations about this motion but it seems it is relevant to the bill as it has come back to the House from the committee. I again insist on the fact that if the bill had been returned to us in strict or in correct procedural form, it may well be that this motion would have been out of order. But in view of the fact that we have a bill before us which has come in a certain form, defective as it may be, it has the result, in my estimation, of making the amendment proposed by the hon. member for Louis-Hébert in order, at least to the extent that the hon. member should be given the benefit of the doubt so that it could be put to the House for consideration. If hon. members wish, the Chair would put this motion now. However, in the absence of the hon. member is it the wish of the House that this motion be allowed to stand?

Some hon. Members: Agreed.

Mr. Speaker: The remarks which I have just made in relation to motion No. 2 standing in the name of the hon. member for Louis-Hébert would also apply to motion No. 4. Again, I would be prepared to give the hon. member for Northumberland-Durham (Mr. Lawrence) the benefit of the doubt. I would think it would be the wish of hon. members that this motion be put, and if the House so wishes I am prepared to put it at this time.

● (1440)

Mr. Knowles (Winnipeg North Centre): May I rise on a related point of order, Mr. Speaker? I gather that the motions that the Chair will allow are Nos. 2, 3 and 11, if I am correct, and I should like to raise as a point of order the question of—

Mr. Speaker: Order, please. I think perhaps the hon. member is assuming a little too much. We have not come to No. 11 yet. We were dealing with Nos. 2 and 3. We have now before us No. 3. Although we have not reached this point in our proceedings, I would have some doubts about motion No. 11. At this time I am inquiring whether it is the wish of the House that motion No. 3 be put so that the debate might be initiated by the hon. member for Northumberland-Durham.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the point of order I wish to raise applies even if only two of the motions are to be put, and that point of order relates to the taking of the vote, if votes are asked for on these amendments. I think it would be the wish of the House, and I think it is probably a wish shared by both sides on this debate, that votes come at a time when we would all know about them. In view of the fact that there is provision in Standing Order 75 for Your Honour to defer the taking of a vote, if a vote is asked for, when the report stage of an amendment has been concluded, I wonder if it could be understood that all of the votes at report stage of the amendments would be deferred to an agreed time.

Some hon. Members: Agreed.

Mr. Lawrence: Mr. Speaker, may I speak to that?

Mr. Speaker: The hon. member for Northumberland-Durham.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I am in a somewhat embarrassing position this afternoon because, not knowing what your Honour's intentions were and being well down on the list of amendments, I had assumed in the event that you did accept the amendment of the hon. member for Louis-Hébert (Mrs. Morin), as I hoped you would, and that you would find it in order, as you have, we would then proceed with the debate on that amendment first of all. I am rather horrified at a quarter to three on a Friday afternoon in July to find that perhaps we may be proceeding with my amendment.

May I suggest that if all members want to facilitate the debate and the taking of the votes in respect of this fairly controversial measure, we not accede to the request of the hon. member for Winnipeg North Centre (Mr. Knowles), simply on the following ground. The taking of the vote on the amendment of the hon. member for Louis-Hébert, when it comes, would be an indication to some of us who have intentions in respect of other amendments. If by any means we voted on the hon. member's amendment and, for instance, that amendment were lost, then we might save a great deal of time in respect of the debate and the subsequent taking of the vote in regard to the first amendment standing in my name.

I would therefore say to you, Sir, and I understand this is an exercise of the Chair's discretion alone, that in opposition to what you have just heard from the hon. member for Winnipeg North Centre, we might proceed with the amendment standing in the name of the hon. member for Louis-Hébert. If that is permitted to stand, I think I should have the privilege of permitting my initial amendment to stand. I think it will save time and it will save discussion—I hope I am making my point clear—if we have the vote at the end of every question at the time those amendments are put.

Perhaps I could resolve the difficulty that we may be in now by asking Your Honour to stand the first amendment standing in my name, and perhaps we could proceed with a dicussion on whether No. 11, standing in my name, might be in order. Of course, I should like to speak in relation to that.

Mr. Speaker: My understanding is that we have been asked to stand motion No. 2, but the hon. member for Northumberland-Durham would prefer to proceed with this motion. After we have had a debate on motion No. 2, which I think is reasonable, the suggestion of the hon. member is that we should dispose of motion No. 2 before we attempt to dispose of motion No. 3. I am in agreement with this.

The Chair would not want to take advantage of the Standing Orders to impose his wishes or suggestions on hon. members. This leads us at this time to consideration of the procedural point relating to the hon. member's motion No. 11. I would certainly be grateful for advice from the hon. member or other members of the House in respect of the procedural acceptability of this proposed motion.

Mr. Lawrence: Mr. Speaker, at the risk of talking too much this afternoon, I shall attempt to be quite brief on this one as well. First of all, as you indicated in your ruling on the amendments which you declared out of order a short while ago, the principle of this bill is related not to capital murder but to capital punishment. I think that is important.

My amendment relates strictly to the form of execution in the event that the penalty of capital punishment is imposed. I do not want to get into the merits or demerits of the case, but I cannot resist the temptation to say that in my belief the actuel form of execution in this country at the moment, namely, hanging, is an extremely archaic, medieval way of imposing the ultimate punishment, capital punishment, on anyone.

Some hon. Members: Hear, hear!

Mr. Lawrence: I would think if we are going to have capital punishment in this country, then it certainly should be carried out in a far more humane manner than it now is. This is the purpose of the amendment. I know, sir, that you do not want me to get into the argument on the merits or demerits of the actual amendment, and I am trying to resist that. I must point out to the House and to you, if I may, that my understanding of the procedures—and believe me, I have studied them in another capacity before coming here—in regard to execution in this country is that sedatives are administered, or have been in the past, to people who are going to have the sentence of hanging imposed upon them.

The form of this amendment would permit, by regulation, the government of the day to indicate a far more humane, sensible, sane and less cruel way of imposing capital punishment. It is on that basis, and because it falls within the principle of the bill as you enunciated it not more then ten minutes ago, namely, capital punishment and not capital murder, that the amendment was brought about. Sir, you have indicated that there are some doubts in your mind as to whether this amendment really is in order. I would assume, if I may be so presumptuous, that the mental processes of the Chair, for simplification purposes, would run along the lines that there was no mention made in the original bill of the form of execution; this amendment comes along now to attempt to lay down a

different form of execution, and therefore it is out of order.

May I merely point out to you that there was no mention in the original bill of any details or any procedures or any length of time in respect of parole, and the committee, albeit in my absence, decided in its wisdom to insert in that bill restrictive provisions regarding parole and parole procedures. My point, put as simply as I can, is this. The Chair is accepting amendments from the committee as being in order. I appreciate you have very grave doubts about this one, but I assume you are accepting it. If the Chair is accepting amendments that come from the committee as being in order, then I submit that in fairness you have no choice but to accept motion No. 11.

● (1450)

If the only ground for ruling motion No. 11 out of order is that there is no mention of this question in the initial bill, then I am sorry and we must leapfrog back one further stage and you should also refuse to accept the bill as coming to the House from the committee. It should be returned to the committee. I suggest that you have a duty to perform if a committee reports an improper bill to you. I know Your Honour would be making a precedent-making decision, if you make it. I submit that the Chair has the duty and responsibility to supervise the actions of committees of this House. The only way Your Honour can exercise that responsibility, obviously, is by refusing to accept improper reports to you. If you are about to rule that motion No. 11 is improper, I submit you should also rule that the committee's report is improper, because it deals with exactly the same type of matter. The same question of principle is involved in this matter.

I will not flog the matter any further, Sir, hoping I have made my point. It is simple: if you accept the committee report, in all fairness and equity you should also accept motion No. 11.

Mr. J. A. Jerome (Sudbury): Mr. Speaker, for obvious reasons, as the chairman who ruled on this amendment in the first place, I was reluctant to enter this debate on whether the amendment or the bill is in order. I only do so now because the previous speaker in his argument referred to the fact that the amendment was moved. The amendment was in a certain form and a ruling was made on it. The amendment was rejected, but that amendment is identical to the one which is before you now as motion No. 11.

There are two comments I want to make. The hon. member has conveniently overlooked two important distinctions. The first distinction he overlooked has to do with the power of the Chair at this juncture. The power of the Chair, of course, is absolute with respect to motions which are before the Chair at this time. Accordingly, it is the privilege and obligation of the Chair to rule on whether motion No. 11 is in order, because it is before the Chair at this time. So Your Honour must rule on it. As Your Honour pointed out in your preliminary remarks, the Chair does not possess anything like the same powers with respect to an amended bill, which is before you, and therefore your handling of the matter in that regard would have to be totally different.

[Mr. Lawrence.]

The second distinction that the hon. member conveniently overlooked has to do with the nature of the two motions that he is discussing, the first being motion No. 11. That motion is a direct affront to the rules of procedure in that it proposes to go beyond the amending bill, Bill C-2, and do one thing only, amend a section of the Criminal Code which it is not intended will be amended by Bill C-2. That is a direct contravention of the rules. A comparison of amendments which have now been passed by the committee and now form part of the bill, and the provisions of the Parole Act, which are included in the bill, is not a valid comparison inasmuch as the amendments to the Parole Act are only consequential to the main thrust of the amendment which was accepted in committee.

The amendment which was accepted in committee was to define or clarify what is meant by life imprisonment and to give the judge certain powers with respect to those parts of Bill C-2 which deal with life imprisonment. If that amendment, which automatically is part of Bill C-2, is on any dangerous ground it is because it went beyond that matter and dealt with an amendment to the Parole Act; this would have to be done in due course. That is the only consequential aspect of the main thrust of the amendment. Also, it is separable. It would be entirely possible for the government not to go that far. The government could do that at any other time.

In other words, faced with the main thrust of the amended bill, the government, if it did not want to amend the Parole Act, would have been obligated, in order to bring the Parole Act in line with the Criminal Code as amended by the passage of Bill C-2, to present a further bill to amend the Parole Act. If that simple step had been taken to cut adrift that consequential aspect that relates only to the Parole Act, the amendment, surely, would have been beyond attack. Therefore I submit that the comparison is not valid.

Mr. Speaker: I thank the hon. member for Sudbury (Mr. Jerome) and the hon. member for Northumberland-Durham (Mr. Lawrence) for their guidance in respect of this very important motion. I wish to assure the hon. member for Northumberland-Durham that I fully understand the strength of his argument. This is what perhaps caused me most anguish in the last hours and days when I have been giving this matter serious consideration.

The hon. member states that his amendment, or motion, should be treated in the same way as amendments which are accepted in committee and adopted by the committee, so that they are now part of the bill. I think there is some distinction between the two. In addition to the distinction to which the hon. member for Sudbury alluded, there is another distinction. While I had some doubts as to the validity of the amendments, I was not prepared to make a clear ruling that they were clearly out of order. I said that I had some doubts. When I referred originally to the amendment proposed by the hon. member for Northumberland-Durham, I said that I had some doubts as to the procedural validity of his amendment. I might say that this was a polite way of putting things. I had perhaps more than doubt. I was basically convinced that the amendment was not acceptable for the very simple reason that it goes beyond the terms of the bill which we have before us.

The hon. member, with his lengthy experience in law, in government and in parliamentary affairs knows that one cannot propose an amendment to a statute which is not before us. The hon. member's amendment is not to the bill before us but to the act which stands behind the bill, the Criminal Code itself. The hon. member's suggestion, and I know that he put this forward as argument in support of his proposition and perhaps was not 100 per cent convinced that it was right, was that we should accept the amendment because it relates to the subject of capital punishment. Because an amendment or motion refers generally to the subject of capital punishment does not make it automatically acceptable. If the amendment seeks not a modification to the bill before us but, rather, a change in the statute which the bill seeks to amend, the Chair has no alternative but to say it is not acceptable. It is for that reason that I hesitate very much to accept the hon. member's motion from the point of view of procedure.

I repeat, I have general doubts about the whole procedure which has been followed in connection with this bill in many respects. I should make a distinction to which I should refer. The hon. member referred to a report which would not be in order. We are not dealing here, of course, with a report, but with a bill which has come before us. It is not the report, but the bill which we have before us for consideration at this time. While it may be possible in some instances for the Chair to take exception to the form of a report which comes before us—and there are many precedents to justify such intervention on the part of the Chair—I suggest there are few, if any, precedents which would justify the intervention of the Chair in the case of a bill which comes before us in a certain form from a committee. For these reasons, I would have to rule that the hon. member's motion cannot be put.

Mr. Lawrence: Mr. Speaker, in accepting Your Honour's ruling, may I pose this question in regard to the bill as reported to the House? Perhaps now or at some future time, so that it may be clear, Your Honour would indicate for the benefit of generations yet to come your reasons for refusing to intervene at the report stage of the bill even though there might be serious doubts in your mind as to what has been done in committee itself.

● (1500)

Mr. Speaker: Of course, the Chair tries not to rule for generations to come. It is difficult enough to rule for this generation.

Some hon. Members: Hear, hear!

Mr. Speaker: I would hope that future generations would be easier to rule for than the present one. In any event, I suggest that whatever reasons, if any, can be gleaned from what I said a few moments ago should be sufficient for this moment; and if there is another occasion I may find other explanations, perhaps more valid, for ruling one way or the other.

Mr. MacEachen: I rise on a point of order related to that made by the hon. member for Winnipeg North Centre. I note the suggestion made by the hon. member that if any divisions are necessary on the proposed amendments at the report stage they should be deferred. I realize this is a matter for the Chair to decide but I would certainly support the desirability of that discretion being exercised in favour of deferring votes until all of them can be taken at the same time. However, this is merely an expression of opinion.

My second point is rather more important. Bearing in mind the type of bill with which we are dealing and the desirability that the maximum number of members be present in the House when a decision is taken, I wonder whether at this stage we could secure some sort of understanding between the parties that we would consult, and that the timing of any divisions would be mutually agreeable. I say this because there will be absentees from time to time on this side and on the other side, and if there are surprise votes we might reach decisions which are not expressive of the views of the total membership of the House. This is a serious point.

The third point I should like to make is this. I certainly would not raise points of order myself against those who might in the course of debate on the amendments stray from the rule of relevancy—if they wanted to make general speeches on what are, really, specific motions to amend the bill. I wish to make that clear, realizing there are a number of members who wish to speak on this subject. It would be unfortunate if they were prevented from doing so by insistence on the rule of relevancy.

Mr. Baldwin: I am taken by the second suggestion made by the President of the Privy Council, that there should be some mutually agreed time at which we would be called upon to make our decision. We might well, in the course of the next two or three weeks, specify, for example, that each Tuesday is the appropriate time at which votes can take place.

Mr. Prud'homme: Agreed. Every Tuesday from now on.

Mr. Knowles (Winnipeg North Centre): In this atmosphere of unanimity, may I support the suggestion put forward by the President of the Privy Council, namely that we seek to reach agreement among the House leaders as to when any votes on this issue will be taken. If there could be an understanding that there would be at least 24 hours, or preferably 48 hours, between the ending of debate and the taking of votes so that persons who might not be here can get here, it would be appreciated. At the moment I am joining with the hon. member for Peace River in the sensible part of what he said, supporting the idea that there should be agreement as to the timing of the votes.

An hon. Member: We would like to have Labour Day off.

Mr. Bell: I can see some difficulty about this, but providing we are only saying at the moment that we are trying to seek agreement, that is certainly all right.

[*Translation*]

Mr. Boisvert: Mr. Speaker, I also agree with my colleagues of the other parties. When the House will vote on the bill, it will have to be truly representative of hon. members.

[*English*]

Mr. Lawrence: Certainly no one could object to some attempt being made to reach agreement. However, there are two points I should like to make at the risk of being extremely verbose today. First, the government must bear the main share of responsibility in the event that no such arrangement can be made or no such agreement reached with respect to the timing of votes in a matter of this kind. It is high time the government realized that, though it is a way out in certain circumstances to call for a free vote, it must also bear responsibility for what occurs when there is a free vote. They can take the coward's way out—

Some hon. Members: Shame!

Mr. Lawrence: —but it is not an open door. I say that when there is a free vote, the party whips are off. The caucus has no responsibility for me or for anybody else on our side in those circumstances, and the party whip has no responsibility for me either. I assume the same applies to members on the other side.

The government House leader now attempts to impose an unfair condition upon the whips of other parties. When he and his hon. friends call for a free vote they should realize the implications of what they are doing.

My second point is this. If the government House leader is really, in the depths of his soul, concerned about everyone having the opportunity to express his views in the House in accordance with his responsibilities to the electors who sent him here, I must deplore in the strongest terms the fact we are being held here way into July to discuss a measure such as this when, really, I for one can see no urgency attached to it. If the government feels there should be full debate of this issue, with everybody participating, this is one of many matters which could just as easily be put over until the fall session of the House.

Some hon. Members: Hear, hear!

Mr. Speaker: If I might refer to the point of order raised by the President of the Privy Council, my understanding originally was that there was agreement that hon. members should seek agreement. Apparently there is disagreement now—disagreement as to whether there should be agreement to seek agreement. In view of the hon. member's comments I would think there is no question to put to the House.

Mr. Knowles (Winnipeg North Centre): Crop insurance!

Mr. MacEachen: I understand that both amendments have been stood and that it would probably be more appropriate for me in these circumstances to call for the rest of this period other items of business in the hope that one or two of them might be acceptable. If nothing I suggest is acceptable at this time I would propose calling it four o'clock and considering private members' business, if that is agreeable.

● (1510)

Mr. Baldwin: I hear the hon. member for Winnipeg North Centre (Mr. Knowles) calling for the crop insurance bill. We, of course, would prefer to deal now with family allowances.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Agreed. Let's make it unanimous.

Mr. Speaker: Is it agreed that further proceedings relating to the report stage of Bill C-2 be adjourned?

Some hon. Members: Agreed.

Mr. Speaker: Is it further agreed that we call it four o'clock and proceed with the consideration of private members' hour?

Mr. MacEachen: Mr. Speaker, I would like to call Item No. 7, the Fisheries Development Act. I understand there have been discussions among the parties and agreement has been reached that this item could be passed without debate. That would be helpful.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

* * *

FISHERIES DEVELOPMENT ACT

AUTHORIZATION OF PAYMENTS FOR CONSTRUCTION AND EQUIPMENT OF CERTAIN FACILITIES

Hon. Allan J. MacEachen (for the Minister of Fisheries) moved that Bill C-4, to amend the Fisheries Development Act, as reported (without amendment) from the Standing Committee on Fisheries and Forestry, be concurred in.

Motion agreed to.

Mr. MacEachen (for the Minister of Fisheries) moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

Mr. MacLean: Mr. Speaker, I am only going from memory, but as I recall it the committee dealing with two of these bills agreed that the minister could by unanimous consent introduce an amendment to one of those. The committee agreed this should be done. As a matter of fact, this proposed amendment was dealt with in committee. I am not sure whether it is the wildlife bill or the fisheries development bill, but I think it is the fisheries development bill.

Mr. MacEachen: Mr. Speaker, I think we ought to carry the bill, and if there is a further amendment we can consider it at a later point. With unanimity, we could do this quickly.

Mr. Speaker: I believe the bill has already received third reading.

Mr. MacEachen: Mr. Speaker, I would like to call Item No. 14 respecting wildlife. I understand there is also agreement on that bill.

CANADA WILDLIFE BILL

PROVISION FOR RESEARCH AND CONSERVATION AGREEMENTS, CONTRIBUTIONS TO COSTS, AND PURCHASE, ACQUISITION OR LEASE OF LANDS

Hon. Allan J. MacEachen (for the Minister of the Environment) moved that Bill C-131, respecting wildlife in Canada, as reported (with an amendment) from the Standing Committee on Fisheries and Forestry, be concurred in.

Motion agreed to.

Mr. MacEachen (for the Minister of the Environment) moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

Mr. MacEachen: Mr. Speaker, I have already tested the House on Item No. 12, crop insurance. I understand there is some wish to discuss that further so I will not try that one. I wonder whether it would be possible to deal with Item No. 43, the Canada Pension Plan. The hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty) has been talking to me about the necessity for dealing with that bill. I would be happy to call it now.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we would be happy to deal with the bill, but it cannot be passed without debate. There are a few things some of us would like to say.

Mr. MacEachen: Would the hon. member be prepared to say them now?

Mr. Knowles (Winnipeg North Centre): Certainly.

* * *

CANADA PENSION PLAN

CONTRIBUTIONS OF MEMBERS OF CERTAIN RELIGIOUS SECTS, INTEREST RATE ON DELAYED PAYMENTS, PAYMENT OF LEGAL EXPENSES

Hon. Allan J. MacEachen (for the Minister of National Health and Welfare) moved that Bill C-190, to amend the Canada Pension Plan, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Bell: Mr. Speaker, could we have an explanation from the minister sponsoring this bill?

Mr. MacEachen: Mr. Speaker, the minister is not present at the moment. We are sending for his parliamentary secretary. I am sure my understanding of the bill is quite imperfect, but the essence of the bill is to provide exemption from payments to the Canada Pension Plan for certain groups, particularly the Mennonite community and the Hutterites. That is the basic purpose of the bill.

Mr. Stan Schumacher (Palliser): Mr. Speaker, I rise with some trepidation because we seem to have made a great deal of progress rather quickly. There was no notice that this bill would be called. I had wanted to take some time to speak on the matter, but I do not have all my

material. Perhaps the House will bear with me under those circumstances.

It is too bad we do not have somebody from the executive to explain the bill in a little more detail than has been done by the government House leader. As I understand the bill, it is to exempt two main classes from contributions to the Canada Pension Plan, the Mennonite people and the members of the Hutterian Brethren.

This amendment is not really in the spirit of the governing legislation, the Canada Pension Plan, which is to provide universal coverage of social security for everyone in Canada. I wish to say at the outset I have never been a great fan of the Canada Pension Plan. It was passed by this chamber before I had the honour of being a member; therefore I did not have anything to do with its being placed on our statute books.

I have always distrusted and have been unhappy about the legislation since its passage. One might think that, because I dislike this legislation, I would not be taking this opportunity of suggesting that these classes of people should not be exempt. All I can say is that any piece of legislation that is of general application should be applicable to everybody. I might feel different if I could bring myself within some class which would be exempt, but for some reason or other there does not seem to be any likelihood of that.

● (1520)

In order to give an indication of my distaste for this legislation, Mr. Speaker, I may say that I have not to this day made application for a social insurance number which seems to be one of the requirements of the Canada Pension Plan. Those two things were produced at the same time and the action of the government of that day was directly opposite to my very deep feeling about numbers being assigned to people and plans being imposed upon them without any direct consultation. Medicare is another similar program. We find now that many hon. members complain about shortages of doctors and medical services all over this country, and I believe it can be said that the medicare legislation has not been a great boon to large numbers of the Canadian population.

The same thing applies here; that is, it is a law of general application and no one is exempt from it. Even though it is imperfect and poor, everyone must support it. I suggest the Canada Pension Plan is not perfect by any means, but it probably is not as bad as the medicare legislation. I really do not see why those of us who do not support the Canada Pension Plan cannot be exempt from it if various other groups and organizations can be, as proposed by this legislation.

Apart from that, however, there are a great many other complications flowing from the Canada Pension Plan. The contributions from the government of Canada under that plan go into a fund and at least part of it becomes available to the provinces for provincial and municipal purposes at low rates of interest. As I understand the situation, various provinces draw from that fund in proportion to the amount of money they contribute to it. I believe it makes a great deal of difference to the provinces how much money they have contributed to the fund. I think that follows as night follows day.

In order to obtain the greatest possible benefit from the Canada Pension Plan fund a province must have made the maximum possible contribution to it. It is all very well for the Mennonite and Hutterite people to say they do not require social security and that the precepts of their religion and way of life allow them to look after their own and themselves in their old age. I have a great deal of respect for those tenets. Indeed, I believe it is very unfortunate that more people who live in this country do not follow the same principles they happen to teach and practice in their way of life.

The fact remains, however, that the Canada Pension Plan contributions are really a form of taxation. The proceeds from those payments go to the provincial and municipal governments to use for the good of all people living in the jurisdictions of those municipalities and provinces. If large groups of the Canadian population are to be exempt from contributing to the plan, that money will not be available to make up provinces' credit which can be drawn upon for works within their jurisdiction.

If it is necessary that these works be carried out, the money must be found somewhere else, either through direct taxation or by borrowing in different markets at higher interest rates, resulting in higher costs to the remaining population in a given jurisdiction, whether it be municipal or provincial. I think in proposing this legislation the government has not taken into account the result that would flow from it.

The Hutterian Brethren and the Mennonite people I believe have always suggested that they should pay their share of taxes. I know the Mennonites at least have always done that. I have been honoured to represent a number of them in my constituency. As a group they are among the finest people one could expect. They are very happy and productive people. They are not in any way a drain on society. They have certainly made no complaint about payment of taxes.

So far as the Hutterian Brethren are concerned, the same cannot be said. It is true that in their religion today they follow the maxim: Render unto Caesar that which belongs to Caesar. They have never made any complaint about paying their proper land or municipal taxes, although there has been some difficulty in respect of income taxes.

Within the last four or five years there was a dispute between the Department of National Revenue and various members of the Hutterite Brethren in Alberta with regard to their liability to pay income taxes. That has been resolved for the time being and these people are now paying taxes. The fact remains, however, that if the proposed amendment is carried, the Mennonites and Hutterian Brethren will not be contributing to the general welfare of Canada in the way I believe the majority of the people of Canada expect them to.

I think it is important to note for other members in this House that not every part of Canada is affected by this bill. Perhaps the reason I am somewhat concerned about this legislation is that a great number of Mennonites and an even greater concentration of Hutterites are located within the province of Alberta. I know there are settlements of Mennonites in Ontario and in all parts of western Canada, but there is a great concentration in Alberta. If these people are exempt from the making of contributions to the Canada Pension Plan, then the province of Alberta will be able to draw less money from the fund of the Canada Pension Plan for provincial or municipal purposes at a low rate of interest.

I really do not think there is real justification for allowing passage of this bill, though I know there will be at least one other speaker from this part of the House who will disagree with me. He nods his head in the affirmative. But the fact is this is a bill of general application. I do not think it is like many others in respect of which it would be possible to opt out on the basis of conscientious objection. There has been nothing from the other side, from the proponents of the bill, that would lead us to believe that.

Perhaps my hon. friend who will be speaking after me will be able to explain why the consciences of these people should be so offended with regard to paying for the support of a general social security plan. It certainly has not been explained to me why they should receive the benefits they are. If I might go back for a minute, while there have been income tax difficulties between the Hutterian Brethren and the Department of National Revenue—and so far the position of the Hutterian Brothers has not been accepted—I suggest there is still a feeling among many people in western Canada, at least in Alberta, that the Hutterian Brethren do not pay their fair share of income taxes as a result of the way they are treated by the Department of National Revenue.

● (1530)

I suggest that now is not the correct time to try to assist these people and to try to relieve them from what in fact is a form of taxation. I look forward with interest to hearing the remarks of my colleague from south western Ontario who, I believe, will be speaking next on this measure.

The Acting Speaker (Mr. Boulanger): The hon. member for Peel South.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, it is a great honour for me to be mistaken for my deskmate, the hon. member for Peel South (Mr. Blenkarn), but I do not think he would be flattered. It is a great pleasure for me to be able to speak in the debate on this subject because it is a matter of great concern to me. As the hon. member who spoke before me indicated, my constituency has perhaps a greater proportion of people who will be affected by this bill than any other constituency in Canada. This is a matter that is personal to me because it affects my constituents and their right to freedom of religion as well as their rights as Canadians. This is something that has been promised to them for a long time and something which they deserve. It is a matter of giving them the justice for which they have been asking.

It is with a great deal of pride that I joined my party after passage of the Bill of Rights which was brought in by a former prime minister, the right hon. member for Prince Albert (Mr. Diefenbaker). One of the provisions of the Bill of Rights was that there be enshrined for Canadians the right of freedom of religion. Surely nothing could be more important for any of us than the right to freedom of religion. This is why this bill is a good bill and deserves our support.

Let there be no equivocation about where we stand. Members of this party and all members of the House will stand up and be counted when it comes to standing up for the rights of Canadians to freedom and justice. This is what this bill is for. I am disappointed with the government because back in December 1971 the then minister of national revenue and the then minister of national health and welfare put out a joint news release which stated that in the next session of the House legislation would be brought in to exempt from the plan people such as the Old Order Mennonites, who for reasons of conscience are not allowed to contribute to the Canada Pension Plan.

However, this promise was not kept. The next session of the House came and went. Throughout this session, since my election, I have been trying to get some assurance from the government that the bill would be introduced and passed. They refused to do so before tax filing time came this year. Then because the government was bringing in new legislation they promised not to enforce the old legislation, but it made the position of the Old Order Mennonites and groups like them very tenuous. It was certainly a cause of great concern to each of them.

The reason there is concern on the part of the Old Order Mennonites with respect to the Canada Pension Plan is that their religion expressly forbids them from taking part in any insurance scheme whatsoever. They have no objection to participating through taxes in helping other groups. While their religion does not allow them to participate in welfare schemes in terms of taking benefits—they do not take benefits from the family assistance plan, old age pensions, or workmen's compensation—they do not object to contributing and pulling their fair share of the load when it comes to helping other members outside their community.

If the Canada Pension Plan were to have been financed out of the tax revenue, there would have been no objection on the part of the Mennonites in my constituency. The problem that existed here was the special provision whereby the Canada Pension Plan was designed as an insurance scheme and the contributions were kept separate from the general tax revenue. The Mennonites were required to make full contributions to the Canada Pension Plan and the government acted to restrict their religious freedom by going before the Ontario marketing board and seizing their grain cheques. That is a shocking affront to their rights as Canadians. Fortunately this bill will change that and the procedure will not be carried out another year.

The argument has been made that, because the provinces are able to borrow from tax revenues which come into the federal coffers for the Canada Pension Plan, they are able to finance other schemes in the provinces of which Mennonites and other groups like them are able to take advantage, and that therefore the Mennonites would not be pulling their share of the load. Such an argument is specious because it is clear that payments made by Mennonites and other such groups to the government for welfare and other benefits, in return for which they do not collect benefits, are much greater than any potential loss from this fund. If a person who pays into the scheme and takes money out is a good Canadian, at least the people who pay in so much more money than they take out of any scheme are much better Canadians than the rest of us.

The argument has been made that because the Canada Pension Plan was designed as a universal scheme, no group should be allowed to opt out. Of course, this does not make sense. I cannot accept that, on the basis of bureaucratic niceties, we should deny people the right to religious freedom, which is what we would be doing if we refused to make this amendment. If there is a need to increase the amount of the fund—and I believe there is—to be made available to provinces and municipalities for capital construction purposes, to build roads and so on, let us bring in legislation that will do that. Let us start decentralizing the funding of programs. But let us not try to achieve our aims by depriving people of their religious freedom; there is no excuse for that.

I am a member of my party because I believe in the ability of all people to live in freedom and dignity, unburdened by bureaucracy and not threatened by insensitive and intolerant people who would refuse each of us the right to be ourselves. I believe that is a fundamental right that each of us should share. I support this legislation because I know that if the freedom of religion of a small sect such as the Old Order Mennonites is threatened, it may not be too long before the freedom of religion of other members of the House, myself included, might be threatened. This is surely something which we cannot allow in a democracy.

I will sit down now to give the hon. member for Winnipeg North Centre (Mr. Knowles) an opportunity to give his party's position on this, but let me make the plea to members of the House that there be no doubt about where members of the House stand when it comes to justice and equity and freedom of religion. Let us support this legislation.

● (1540)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the President of the Privy Council (Mr. MacEachen) was correct as far as he went in indicating the purpose of this bill. Indeed, its main purpose is to make the provision which has been debated, pro and con, by the last two speakers, namely, that members of certain clearly defined religious groups be exempted from payment into and benefits out of the Canada Pension Plan. I shall come back to that in a moment or two.

The bill does one other major thing, and it has several minor points in it as well. The minor points are technical details that are improved because of experience with the act. The other major point in the bill is that it makes provision for the legal expenses of a claimant to be paid under certain circumstances.

As the legislation now stands, if a contributor to the Canada Pension Plan applies for a pension and has his application refused, he can take his case to a review committee. If that review committee makes a ruling in his favour, it is still possible for the minister to appeal that ruling to the Pension Appeals Board. In that case the contributor is faced with additional legal expenses, and one of the major purposes of this bill is to provide that, in a case where the minister has appealed against a decision favourable to the claimant, the claimant's legal expenses will be paid. That is certainly a proper provision which I am sure everyone will support.

With regard to the first issue, the one that has been discussed by the last two speakers, may I say that this is another of those instances in life which occur from time to time when two valid principles happen to clash.

I think there is validity to the principle of universality, which says that in a society like ours we are all in it; we should all share in its responsibilities and in its benefits. There is also the principle of religious freedom, of respect for the clearly held views of individuals. It just happens in this case that these two principles clash. I am not happy about breaking the principle of universality because I think that any social insurance scheme works best when, as Churchill once said, we bring the magic of averages to the benefit of millions of individuals. However, I recognize the strong appeal that has been made by one or two clearly defined religious groups.

The language in the bill is very precise when it makes it clear that the right to be exempted from the provisions of the Canada Pension Plan will be extended only to a person who belongs to a religious sect that has established tenets and teachings that oppose the acceptance of benefits from any private and public insurance that provides for payments in the event of death, disability, old age or retirement, and which hold that that sect or group must practice and make provisions for the support of dependent members, provisions that are reasonable in view of their general level of living.

It is also provided that any such sect or group must have been in existence prior to January 1, 1966, which was the date on which the Canada Pension Plan came into being. In other words, this bill does not open the door wide to individuals who just do not want to pay a tax to claim some kind of religious scruple, and thus benefit by it. There has to be clear, bona fide evidence of a deeply held religious conviction practiced by people for a long time. Therefore, Mr. Speaker, despite my tendency to put the greater weight with respect to social legislation on the principle of universality, I am not opposed to this bill being passed.

If my hon. friend from Waterloo-Cambridge (Mr. Saltsman) were here he would probably want to get into this debate and say not only is he not opposed to the bill but that he is strongly in favour of it being passed. Because he, like the hon. member who has just spoken, has a number of groups of the kind clearly defined in the bill in his constituency.

So I think the government is to be commended for having wrestled long and hard with this issue, and for having come up with a reasonable proposal which I think, even though some of us may have some misgivings about it, we ought to accept. As I have already said, other parts of the bill are concerned with technical details that ought to be improved, and there is the provision for legal expenses in certain cases. All of this ought to be passed without question.

But, Sir, the main reason I wanted this bill not to be in the category of bills that get passed without debate on a Friday afternoon is that I wish to express my disappointment that the bill before us to amend the Canada Pension Plan does not have in it the major and important things, which the government of course tells us are yet to come. I know that the Canada Pension Plan can be amended twice, thrice or even oftener in the course of a session or the course of a year, but it is at the point when a statute is being opened that it is possible to get various matters corrected. Since we have been asked to accept this little bit of amendment to the Canada Pension Plan, I make a very strong plea that the rest of what the government has promised as amendments to the plan be brought forward in the current calendar year, 1973.

There are quite a few details of the Canada Pension Plan that some people would like to have improved, such as those dealing with problems that arise in the case of people who are between 65 and 70 years and able to earn a little bit from employment, and so on. But the two main things that need to be improved are the ceiling on the annual escalation and the level of the yearly maximum pensionable earnings.

The government is discussing these matters with the provinces. It has declared its eagerness to remove the 2 per cent ceiling on the annual escalation of pensions. It has declared its eagerness to raise the yearly maximum pensionable earnings. But I am a bit concerned when the Minister of National Health and Welfare (Mr. Lalonde) says that he hopes this will be in effect by January 1, 1974, but never made any clear commitment to that effect.

I realize that he has to reach agreement with the provinces and all that, but it seems to me that if the provinces agree on either one of these points, then it should be brought before us. There will be a great deal of disappointment, and justifiably so, if when January, 1974 comes around pensions are still escalated by only 2 per cent, when the cost of living is rising by 5 per cent, 6 per cent or 7 per cent per year.

I express to you, Mr. Speaker, my appreciation that you have sat quietly in your Chair. You have not called me to order for talking about something that is not in the bill. Maybe I am putting that idea in your head right now, but I will not abuse your kindness any further. I make the very strong plea that, since the House has co-operated with the government in putting through this little bill amending the Canada Pension Plan, the other major amendment, the one that removes the ceiling from the 2 per cent escalation and increases the YMPE, be brought before us this year, and definitely in time so that, like the family allowances measure, it can come into effect on January 1, 1974.

● (1550)

Mr. Douglas Roche (Edmonton Strathcona): Mr. Speaker, one of the great things about the Conservative party is that there is room for diversified opinion. Indeed, this is nothing to be ashamed of. Rather, it is something to be proud of that in our party we see things from many different points of view. Let me say this, however, especially to my good friend the government House leader, that if the Conservatives were running the government we would hopefully program legislation in a more systematic manner. We would not be attempting on a Friday afternoon to bring in a bill that I and the hon. member for Provencher (Mr. Epp) were assured by the Minister of National Health and Welfare (Mr. Lalonde) would have 24 hours' notice. I do want to express my protest especially on behalf of my colleague, the hon. member for Provencher, who had prepared a speech to be given on second

reading in view of the importance of this bill to himself and to many others.

I think that it is an important bill. I understand it will go into committee of the whole where the hon. member for Provencher will then give us his thoughts. I do protest again the change which brought it in so quickly this afternoon without sufficient notice. It is an important bill despite the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles), who sees it as an ancillary part of the Canada Pension Plan. Indeed, it is not central to the working of the plan, and I would not want to see it lightly handled by the House.

I believe members of the House should support the amendment that has been introduced in Bill C-190 which will provide for exemption of certain groups on the basis of their religious belief from participation in the plan.

Members of communal religious groups, such as Old Order Amish and Mennonites, have refused to participate in the Canada Pension Plan because of their religion, which opposes insurance schemes of any kind. They believe that their own religious community, not the government's or any outside insurance plan, should carry the responsibility for the welfare and support of its members.

Religious principles forbid them from making voluntary contributions to a state pension plan. But they co-operate—and this is relevant to the dilemma we are facing today—with the National Revenue Department when it executes garnishees on milk cheques and other income which comes to these people. The government officials intercept their cheques until the $180 annual payment required by law is made. The garnishees are for non-payment of Canada Pension Plan assessments.

Although they have been forced to pay into the plan, members of the sect have not been credited with money in the fund because they have no social insurance numbers. Thus, on May 15 and 16, 1971, the Canada Pension Plan advisory committee recommended to the then minister of national health and welfare the following motion:

> The minister give sympathetic consideration to an amendment to the Canada Pension Plan whereby coverage and consequential provisions would not extend to members of religious denominations which satisfied the minister that such participation is contrary to the religious principles of the denomination.

That motion was carried, and I say to you and the House, Mr. Speaker, that I support the principle behind it. I therefore support the bill which is built on that motion. It is now more than two years since the motion was passed, and it has taken the government that long to act. I am critical of a government that would take so long to deal with the motion, on the one hand, and then because they are in a jumble as to what to bring before the House quickly by way of legislation, just dump this bill in. I say that is not the way to run the government. It is no way to treat an important principle and it is no way to treat members of this House.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, there is a great deal involved in this legislation and yet, as the hon. member for Winnipeg North Centre (Mr. Knowles) has stated, there is too little involved. If we are to amend this act, then it seems to me it should not be for a certain group of people for whom a special arrangement is to be made, but rather for Canadian citizens as a whole to whom certain opportunities are denied by the terms of the legislation.

As a result of a trip to my home for the weekend not long since, I had the misfortune of having to go to the funeral of a young man who had been married for some ten or 12 months. He had been employed in a position where he made contributions to the Canada Pension Plan for less than a year. Since he had contributed only for that short period of time, his widow is not eligible for a pension under the Canada Pension Plan. There are several widows in my constituency who unfortunately have had a comparable experience, one of whom finds herself the mother of three children and with no eligibility under the plan.

I do not believe this was the intention of Parliament when it passed the Canada Pension Plan with certain limitations as to payment. I do not believe that it is the intention of this House that limitations should be imposed upon citizens who make contributions of any kind to the plan. It is not in line with any ordinary, publicly owned pension scheme in which an individual takes out insurance, pays his premiums, and then in some cases is eligible forthwith. Or, in the case of an early, unexpected demise, the benefits are payable because he has paid the premium.

This is an important principle in relation to this act. It is not comprehensive; it does not close gaps which need to be closed for good social reasons. I am rather surprised that the hon. member for Winnipeg North Centre would accede as quietly as he did to such a mild amendment to this act when such consideration is in fact required. The mere inclusion of legal expenses for those who have to go through the courts of this land to obtain their just rights is not adequate. The mere review of an application by a review committee, and the appeal procedures, are not enough either. These are items which, with corrected administrative procedures, probably would not be necessary in the first place; these are items which probably could be considered under the act as it is, exercising wisdom in its administration.

I want to point out one further thing in respect of this act. Do you want to declare it four o'clock, Mr. Speaker? I will not be through before four o'clock.

[*Translation*]

The Acting Speaker (Mr. Boulanger): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions, public bills and private bills.

[*English*]

Mr. Baldwin: A point of order, Mr. Speaker. Before we start the important business relating to private members' hour, in view of the changes we have had I wonder if the government House leader would indicate the business of the House for Monday. I think I have an idea but it might be of some importance to have it on record.

Mr. MacEachen: Mr. Speaker, we propose to resume discussion of the report stage of the Criminal Code bill.

Mr. Bell: Mr. Speaker, I am interested in when we can plan on the Olympics bill from the standpoint of our

members, particularly when its approval was given such importance last week and we did co-operate.

Mr. MacEachen: Mr. Speaker, I had planned to call the Olympics bill today, but because members who wanted to participate were not here I put it off. I will certainly call it at some point next week, but later in the week rather than earlier.

Mr. Bell: It still has the same priority?

Mr. MacEachen: Absolutely.

● (1600)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CRIMINAL RECORDS ACT

ENTITLEMENT TO PARDON FOR FIRST OFFENDERS

Mr. P. B. Rynard (Simcoe North) moved that Bill C-27, to amend the Criminal Records Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, this bill has to do with young offenders who have been convicted once of an offence such as smoking marijuana or driving while impaired, who have gone on to lead useful lives and whose progress has been impeded by having a criminal record. I am sure most of us know of cases like that. Many of us might have been in trouble if we had been caught at a moment of indiscretion by the wrong person, so to speak. There have been growing problems associated with drugs, and also with the lowering of the drinking age, as younger people can now obtain liquor legally.

I became interested in this matter in 1960 when I was confronted with the case of a successful businessman in one of our large cities. The man then was in his late forties. He was married and had a family of three. Many years ago he had risen from a poor background and now was a respected man in his community, a member of the church board and of several clubs requiring good citizenship status and standards before admittance. However, in his younger days this man stole two radios and was convicted of a criminal offence. Thirty years later, his business growing, he wanted to enter the American market and, in the process, found his record uncovered by the RCMP. You can imagine how upset was this man who had forgotten about his youthful folly and become a respected man in his community.

This case was brought to my attention. Here was a man who, when young, had overcome great difficulties, greater than many face, inasmuch as he had risen from unfavourable circumstances. However, by good fortune, by meeting the right kind of friends, marrying the right girl, keeping company with the right associates, being a member of the church and associating with the people in the club, he had taken the right path. Fortune smiled on him. Unfortunately, he ran afoul of pharisaic legislation; there is no forgiveness in it. Every Christian principle I have been taught creates within me a revulsion against this attitude on the part of the state.

I could tell hon. members of other cases. One that came to my attention involved an 18-year old grade 13 student who, not too many miles from here, was caught smoking a marijuana cigarette. That was all. He had bought a reefer from another high school student and tried to smoke it. That was his first attempt at such smoking. He was caught, brought before the court and convicted of an offence. His father was a disabled veteran and his mother was working. The boy was a good student but he now has a record. That boy finished grade 13 with a good standing and went on to apply for a position, only to find that, because of his record, the position was refused.

Let me tell hon. members of another case. As you know, in Ontario the drinking age has been lowered. As well, alcohol causes probably the most serious problems with which we must deal. The previous minister of national health and welfare said that alcohol causes more problems than any other drug. After the new law came into effect in Ontario a young lad whose case was brought to my attention went out with other boys and one teacher; they were listening to a hockey game and, as usual, hoisting some beers. I do not know whether they drank Molson's. At any rate, when it came time to go home this boy, because he had not drunk too much, offered to drive. On the way home he was accosted by the police. The other fellows were in the car with him. He was not charged from the standpoint of having been involved in an accident; he was stopped because he might have been driving closer to the centre of the road than he should have been. He was asked to take the breathalyzer test and his breath sample registered slightly over the allowed limit.

That fellow wanted to take law, but did not. Instead, he applied to the police for a job. He wanted to do police work, as he thought it would be useful when he practised law in the future, since he intended to do work in that area. What do you think he was told? The police authorities said, "No, you have a record," and he was rejected.

How many of us realize how serious are the consequences of breaches of the law? This lad had not committed an offence. He had been driving closer to the centre of the road than he ought. Such incidents occur time and again. In that case these was no accident. I learned that the police had been lying in wait for someone whom they suspected, with little or no foundation, of having thrown a stone through the windshield of a parked police cruiser. This young lad was stopped because he was driving closer to the centre of the road than he ought, and he was taken to court and fined.

I am mentioning that case to illustrate my point. There are many more such cases that could be mentioned. We ought to act from some sense of justice. For instance, how many in this chamber might have been in trouble but for the actions of some compassionate policeman? He came along at the right time, instead of the chap who had a grievance, who was out of humour, who had a grudge, or who had had a fight with his wife. I believe that so often it is little things like that which count in marginal cases.

Of course, the policeman must exercise discretion. Many kids who might have been charged and saddled with a record have escaped that fate and become businessmen

because a policeman came along and, on catching them doing something wrong, kicked them in the pants and said, "If you do that again you will be in real trouble."

Let me recount my own experience. Many years ago I was in a hurry to get to the hospital. This was in the days before power steering on cars and all the other fancy gadgets we now have. I was turning the corner more quickly than I should because the wheel was very stiff, hurrying to be on time for an operation, when a police cruiser came up on the inside. I well remember the look the policeman gave me. It was a hopeless look, the kind that you do not forget. He did not say anything to me, but I have never forgotten that look to this very day. That old police chief is still living. He is 90 years old. His look said more than a thousand words. He did not pull me into court; I would have resented it if he had.

I believe that the quality of mercy will not be strained if this bill passes. It should be said of all of us that he who is without sin should cast the first stone. I hope my fellow members of parliament will allow this bill to go to committee for further consideration.

[*Translation*]

Mr. Raynald Guay (Parliamentary Secretary to Minister of Justice): Mr. Speaker, in view of the importance and of the extremely serious consequences of a criminal record when an accused has been found not guilty and was not sentenced or when it was only an offence punishable on summary conviction, it devolves that this person should have the right, automatically, to a pardon without having to make application for a pardon to the Parole Board, as proposed in the first supplement to clause 1 of Bill C-27 now under study.

For an individual to have to drag behind him a criminal record is the same, unquestionably, as having a second conviction for the same crime, because, in addition to having been punished the first time for the offence, he is punished a second time by carrying, as a ball and chain, a criminal record which impairs his possibilities of finding employment and which, often, prevents him from playing an active role in society.

As an example, I have now in mind the case of a well-known citizen, president of two social clubs, who must go on business trips to the United States but is unable to do so because of his criminal record resulting from being found in possession of American cigarettes two years ago. His request for pardon is under study, but let us hope that in the meantime the surrounding society will not find out about his troubles with the law, because his reputation would certainly be shot and he would not deserve this as he has since been acting as an exemplary citizen.

From these various facts, you can well imagine now in what untenable position an individual would be placed if he wanted to go into politics. It would then be absolutely impossible for him. Society has lost and will lose powerful assets simply because the Criminal Records Act is not flexible enough. With this bill we hope to remedy this unthinkable situation for an evolved society which speaks about rehabilitation and the rights of man.

Furthermore, the period of two years required after the crime before granting automatic pardon seem a reasonable delay to me, because during this period justice has time to assess the progress and goodwill of the person found guilty if, obviously, this person is not found guilty of a new infraction during that time.

Before the end of this two year period, or in certain cases which are not included in clause 2, it seems logical to us that this case be referred to the minister for special consideration.

But to be fully in agreement with the bill, we would need the assurance that the Solicitor General (Mr. Allmand) had at his disposal an adequate tool which would allow him to ascertain the good conduct of the accused during this period of two years. This remains a problem if we take into account the fact that 100,000 judgments concerning minor charges are rendered each year and that it would, obviously, not be very wise to grant 100,000 pardons automatically, without really ascertaining the good behaviour of these citizens.

Thus, even if the bill seems necessary to us in principle, it would also be necessary to decide at the same time on the enforcement mechanisms of this act, which would not happen if the bill was passed immediately. I suggest that the motion of the sponsor of this bill be referred to committee for further study, because I believe its interest is obvious.

• (1610)

I know we will have many amendments to move. The Solicitor General and his department are preparing amendments—if not for this session, it will be for the next one—precisely in order that this bill be enacted as soon as possible.

[*English*]

Mr. Speaker: Order. Perhaps hon. members would allow the Chair to interrupt the proceedings for just a few moments in relation to a motion which was adopted unanimously by the House yesterday, a motion proposed under the terms of Standing Order 43 by the hon. member for Winnipeg North Centre (Mr. Knowles). This motion instructed that the Speaker be required to call an immediate meeting of the Canada-United States Interparliamentary Group to discuss the matters referred to in the motion.

I think I should advise hon. members that I have been in touch with our colleagues in the United States and that a meeting has been arranged to take place at 12.30 in the afternoon of Tuesday. I believe there are discussions going on between representatives of the parties, and between the House and the Senate, to determine the exact numbers of representatives from both Houses who will be going to Washington, and also the representation of the different political groups in the House.

Some hon. Members: Hear, hear!

Mr. Arnold Peters (Timiskaming): Mr. Speaker, we have listened this afternoon to several debates. When we turn from one piece of legislation to another, I am impressed by the moral changes which can take place in people and the great respect they have for religion and for other people's views. I was impressed by the fact that even some of those far out religious views were being repre-

sented. I have also been interested by the great desire not to engage in a debate on capital punishment shown by some members who believe in an eye for an eye and a tooth for a tooth, particularly by the mover of this motion who I believe is on that side.

The bill he has introduced this afternoon, however, is broad, acceptable, moderate and progressive. Most people would agree that it meets one of society's major problems, not in terms of the Bible or of any religious group but in the light of the fact that conditions have changed and our laws must change. I believe that particularly in relation to summary conviction, after a two-year period there should be a mandatory withdrawal of the record of the person convicted.

The hon. member who introduced this bill called attention to the fact that in making an inquiry the authorities really are re-opening the case. His last example was a very good one. The offence happened many years before and had been pretty near forgotten. Most people did not know about it, yet the police and the RCMP visited not only the six people used as a credit rating or reference but they interviewed the neighbours, they interviewed workers at the job, and they asked about him at the grocery store. If nobody knew the man had a criminal record before, they all knew when the inquiry was finished.

● (1620)

As long as we have the present Parole Board and the present chairman, this legislation will serve no purpose. I know of a young person who made an application one and a half years ago and he has not even had the courtesy of a reply. Everyone has been interviewed, including the professors at the college he attended, most of the businessmen in his town, his employer and two of his neighbours. They have stirred up as much trouble as they can without re-convicting him, but he still does not have his pardon.

I agree that if someone applies for a pardon of a summary conviction, there has to be some investigation; but surely it can be discreet. Interviews should only be conducted with those who can shed some light on the matter. Everyone in town should not be asked what they know about John Blow, whether he is a traffic hazard, would rob a bank and so on. Discretion should be used in making inquiries. These investigations should be carried out by qualified people, not a new officer on the police force. A person should be able to have a pardon considered in a logical way and granted without undue delay.

The only reason this section is not working is because the Parole Board is not capable of handling this. The committee should give serious consideration to having this handled in some other way than by the Parole Board. The Parole Board is not able to handle paroles in the penitentiary system. There are 25 or 30 per cent more people in our pentitentiaries because the Parole Board has broken down. It no longer visits the penitentiaries but operates as an administrative body, making all its decisions in the office.

This bill not only covers summary convictions but indictable offence convictions where people have been involved in much more serious crimes. This bill states a person must be on good behaviour before asking that their sentence reports be eliminated. More care has to be taken in these cases. I am sure there will have to be further investigations in cases of conviction for an indictable offence. It is wise to know the background of other offences which may have been committed prior or subsequent to the sentence. However, discretion should be used. These matters should be speeded up.

In addition to considering the parole structure, which is a disgrace to this nation, the committee should consider another matter. What happens to the records when a pardon is granted? They should not be available to the police. When a parole is granted, the records should be sealed and only opened if the person commits another offence and the court orders that the records be re-examined.

In many cases records are now available to the police which were not available before. If a person convicted of a number of offences is convicted of a summary offence, these are not necessarily involved in the trial. Even though a parole is granted and the record is in effect no longer in existence, it is reinstated by police investigation. They accumulate considerable evidence which is to the detriment of a person applying for a pardon.

This House has passed other bills which have also been open to abuses. I remember three or four occasions where we granted amnesty to immigrants. Chinese immigrants are a good example. The minister, the immigration people and members of parliament lied to those people because we did not grant them amnesty. We asked them to come out in the open so that we could take a look at their case. It was not until the late Mr. Favreau was immigration minister that true amnesty was granted. Mr. Favreau said to these people that even if they had come here illegally, had been smuggled in or came here in some other way, if they came forward and made a declaration they would be granted true and reasonable amnesty. When that happened, everyone, including members of parliament, felt much better about the amnesty that had been granted than they did about the pseudo-amnesty which had been granted previously.

There is a lesson to be learned from the parole being granted under the present legislation and the bill introduced by the hon. member for Simcoe North (Mr. Rynard). If we are going to grant parole, it should be done automatically for summary convictions, without all the hullabaloo we now have.

I am sure every member has a number of young people getting in touch with him who would like as little fuss made as possible about their indiscretion. The police only have the responsibility of ascertaining whether the person is now living a reasonably good life and whether justice will be done by making a favourable report. I disagree violently with interviewing teachers, schoolmates, employers and business people in the community and all the other things that take place. The Parole Board will not pay much attention anyway.

● (1630)

In terms of the second section, obviously closer attention must be paid to the question of indictable offence convictions. But again, surely the committee should consider handling this matter as nicely as possible with a little as possible disruption in the community in respect of

persons who apply. If this is not done most people will be very reluctant to make application. Again I hope the committee will go one step further than the member has recommended and will substitute some method of adjudication for that of the parole board.

The parole board under its present leadership is a total failure. At the present time 25 per cent people than should be are in jail because of the failures of the parole board. I suggest that if we add the provisions in this bill to the work of the parole board, we will be adding insult to injury. Therefore, I sincerely hope that a special branch will be set up in the parole board to handle this particular field. Many of the convictions in provincial courts, because of the length of the sentences involved, find their way to the offices of federal members of parliament. Therefore I hope that this special committee might give some consideration to the part members of parliament can play in this matter.

It seems to me this might involve a totally new field and one which has not been previously handled by the parole board. This bill lends itself very much to the support of this House the development of an agency to handle parole in a much more expeditious manner than is now possible.

[*Translation*]

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, since the bill under consideration has been introduced by a member and not by the government and that if in 25 minutes the question has not been put, it will be put off indefinitely, I will only make some brief comments so that the House may vote.

I entirely agree with my colleague from Simcoe North (Mr. Rynard) on the contents of the bill. Indeed, it is abnormal in our modern society to make someone bear during his entire lifetime the burden of a minor offence which in many cases has no effect on the remainder of his life but which as a result of the frequent application and interpretation of the legislation, would contribute to have him make a bad start.

A criminal record often involves a vicious circle. If a person has a criminal record and loses his job, he will become discouraged, which will lead him to despair and often he will see only one solution—relapse into crime, which he would not do if he did not have a criminal record.

As it happened, I found out about a case last week. While an individual was working on a construction job, a policeman did the "good" deed of warning the boss that this man had a criminal record. He lost his job and was saying: Listen, I want to live right, I want to assume my responsibilities as a citizen, and the first time I find a job, what with all this unemployment, I am fired because I was guilty of committing a small crime in my life.

Consequently, I suggest that a period of two years' of probation be granted to an ex-prisoner, which would be wiser because after all, we must have time to find out if the person who committed a crime really intends to change his behaviour. At the end of two years, a person without reproach and who, as cited by the member for Simcoe North, was, for instance, found guilty of smoking a marijuana cigarette after two years, if he has not relapsed into crime, should not bear all his life the stigma of a criminal record, as if he were a criminal, a paid killer. In practice, very often there is not much difference.

Furthermore, we find that often highly spirited young people are involved who, in fact, become later most remarkable men. It is quite rare to see a young person unable to come out of his shell become later a prestigious man. Often, the spirited young, precisely because of this spirit, are led to go over the limit, but they should not, just for that, have to carry to the end of their days the stigma of their mischievousness.

I close my remarks in wishing that this bill be referred to the committee and amended, if need be, to allow the young of 1973 to be dealt with fairly, for if we consider present procedures, although society needs to protect itself, the fact remains that it must also be just.

[*English*]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I am pleased to have the opportunity to speak for a few moments in this debate. I intend to make a very few remarks because I hope it is the intention of the House to allow this bill to go to the committee.

I wish to congratulate the hon. member for Simcoe North (Mr. Rynard), my colleague, who for years has championed this cause. I first heard of it in his name before I came to this House. I do not think any of us in this House have not at some time or other said what most lawyers say when they appear in court with a young person—"There but for the grace of God go I". Because of the compassion of a policeman or school teacher or because of compassion on the part of some good person in a community, it is often recognized that a young person may not have had the judgment of an older person and that his act or offence at that stage under the Juvenile Delinquents Act should not mean that this indiscretion would be placed on the record in his name.

In the course of the experience I have had as a member of the bar of Ontario, I have stood in courtrooms and prosecuted young people and older people for offences. I also had occasion to be an assistant crown attorney in this province. But more often I have had the privilege of defending people charged with offences. I have often looked at young people and wondered why they were in court. I have found in many cases, particularly juvenile cases, that it is thought smart to smoke a reefer, just as it was smart to smoke a cigarette in earlier days. It is also thought smart in certain cases to take a drink. These people who are acting smart are trying to be leaders and to stand out in their own particular way. Although they get into trouble they really are not bad. Perhaps they are misguided.

This bill would ensure that those people, particularly young people who are first offenders, do not have to carry the burden of that record for a period of time, and this is a worthy provision. There have been advances in the whole system of penology in Canada and in the world, and I think this amendment proposed by the hon. member for Simcoe North is a further advance to which this House should give every consideration.

● (1640)

One of the things that concerns me about the present situation is the fact that section 7 puts a person who has

been granted a pardon under the law under the continual cloud of having that pardon taken away. It provides that if there is evidence establishing to the satisfaction of the governor in council that the person to whom the pardon was granted is no longer of good conduct, or is guilty of some other particular misdemeanour, then the pardon that society has seen fit to grant to that person may be taken away.

This bill does away with a bad philosophy. Surely if people are appointed by government to decide on a matter of pardon and that pardon is granted, then the right should not be revoked by law and the pardon removed. I think that the fact that this bill moves against such a provision is excellent and it should be considered seriously. We should all be looking, as the hon. member for Simcoe North (Mr. Rynard) has done, at our legal system and system of penology to see whether it can be improved, having regard for the interest and protection of society.

I believe that this bill, which has been advanced for a long time by the hon. member for Simcoe North, is one that will achieve this purpose. In the course of our investigation of it we should look at a few other statutes, such as the Juvenile Delinquents Act. This is a very important statute. We should ensure that those persons who because they are young, are deserving of a second chance should be treated in such a way as to show them that they are entering into adulthood and should look forward to adulthood in a reasonably responsive and concerned society.

I believe that the bill put forward by the hon. member for Simcoe North is a stepping stone in reaching that concern in our society, and we should support it. I urge the House to let this bill go to committee. Because I feel very strongly on this subject I intend to sit down in the hope that someone will call it five o'clock.

Mr. S. Victor Railton (Welland): Mr. Speaker, I too am greatly impressed by the remarks of the hon. member for Simcoe North (Mr. Rynard) and of all other speakers. I think everyone has a great deal of sympathy and compassion for those who are caught up in the coils of the law, sometimes because of thoughtlessness, ignorance or exuberance, and who can never wipe their record clean. That is the main point which I am sure most concerned the sponsor of the bill, although many other things were mentioned relating to parole in general.

I do not support completely the hon. member for Timiskaming (Mr. Peters), who expressed a strong and acerbic condemnation of the chairman of the Parole Board and of the Parole Board itself. I think they are doing an excellent job with our laws in view of the problems of modern population. People have a tendency to disregard laws more than they ever did, and they have a tendency to be more violent in their reactions. I think that the work of the Parole Board is most onerous.

The background of the bill before us goes back a long way. I could tell you a great deal about what social workers have been concerned about and what they have been urging. I would like to quote a typical newspaper clipping which appeared in July of last year and which reads:

> Under new amendments to the Criminal Code, three teenagers who pleaded guilty to minor drug charges in a Toronto court yesterday were given conditional discharges, which means they will have no court records providing they fulfill the conditions of their probation.

In other words, we are working toward the goal which the hon. member for Simcoe North has suggested.

Also, we had a social worker before a committee of the house, Mr. Kirkpatrick, who said that the present act does not go far enough in clearing a person's criminal record when pardon is granted. He was referring to people in general, not just to young people. A person who has been pardoned should be considered never to have been convicted of a crime, he said. We should listen to these social workers because they are closer to offenders than most of us are.

A rather interesting comment was made in the May 17, 1972 issue of the *Globe and Mail* about the situation in British Columbia. It refers to a Vancouver prosecutor—it is different from what we have in the east; they have a city prosecutor who looks after young people who have committed misdemeanours—who said:

> One thing I hate to see is young people getting involved in something that will have a serious effect on their lives for years.
>
> Lots of these young people don't know what they are getting into and a criminal record could mark them for years. It could keep them from going to the States for a job or for postgraduate studies, from getting bonded or from a job, period.

What he did was to get them before him and scare the living hell out of them, and 80 per cent of them never came back.

I think that is probably the way in which we should approach this matter. A few years ago, when I was about 13, I committed a misdemeanour on Hallowe'en and I had to appear before a magistrate. However, that is not on my record. Of course, he gave us a stern admonition, and not in court but in his own living room. I never did let my father, who was the local parson, know. I do not know how I kept it from him, but I have never done any wrong since.

Mr. Knowles (Winnipeg North Centre): Are you sure he did not know?

Mr. Railton: That was the best thing that could have happened to me. When it comes to other ages, however, the problem is much broader: what should we do with people who are pardoned and paroled, how long should their sentences be, what type of investigation should be carried out? All these matters are complex, and they should be so because of the very fact that all human beings are different and their reactions, both to the environment and to each other, are different in every case. So naturally the law does not fit people individually.

This is why we need such understanding people as were mentioned by the hon. member for Grenville-Carleton (Mr. Baker) to look after the paroling of offenders, to make sure that this is done quietly, as the hon. member for Timiskaming mentioned, and that the knowledge of this indiscretion is not spread around.

● (1650)

There are many other issues, as I have mentioned. For example, at what age should a child who commits an offence, be tried in court? Should all children be tried in juvenile court? Under the Scandinavian system a child

must be over 14 years before he is brought to court for any offence. Those younger than that are looked after by the equivalent of the Children's Aid Society.

The treatment of young people is very important. I have a son who is a law student. He has been lucky enough to get a job in British Columbia again this summer with another law student from there. They take out about 20 young people from a correctional institution, rather bad delinquents, and go mountain climbing and sailing with them. By the way I don't think that's a very bad summer job. He reports that these young people are fine as long as they are kept busy, as long as they are given a little bit of praise and companionship. They have put them on the buddy system. I would like to see more of this in our institutions instead of just seeing to it that young people have enough to eat.

We have made many attempts to change the Criminal Code and the Juvenile Delinquents Act. The latter is a very old act. It was first brought in when I graduated from university, and that wasn't yesterday. Attempts were made as recently as 1971 to amend it, but the bills died in the House. These were small amendments along the lines of today's bill.

I am interested in supporting this bill and in referring it to a committee, but I realize there is no standing committee at the present time to which it could be referred. I also realize that it is the intention of the Solicitor General (Mr. Allmand) to bring in a comprehensive amending bill in the fall. We should strongly support the present bill, and I urge that it be considered as one of the clauses of the more comprehensive bill that will be dealing with the penal code in a general way, and with the Juvenile Delinquents Act in particular. I strongly support the bill in principle but I think the matter would be better handled through comprehensive legislation in the fall.

Mr. Ralph Stewart (Cochrane): Mr. Speaker, first I want to congratulate the hon. member for Simcoe North (Mr. Rynard) on presenting this bill. I am sure it reflects the sentiments of most members of the House, particularly since it is aimed at young offenders.

When people become adults they are considered more responsible for what they do. Younger people, often due to immaturity, or just for kicks, sometimes will do things they should not do, and we should not consider them completely responsible for doing them. Sometimes conditions of society are a factor in young people doing certain things, but their record should not remain against them all their lives to impede their progress in society.

The hon. member for Simcoe North is a member of the medical profession. He knows there are different ways to treat a patient. You can treat the cause or the symptoms. Sometimes you have to treat the symptoms when you don't know the cause. This is rather like what his bill proposes, to treat some of the symptoms of our society. But even better than treating the symptoms is getting to the cause through the use of preventive medicine. It is better to get an injection of Salk vaccine than later having to cope with the disease when it takes hold.

Similarly in the case of young people, society must get to the crux of the original cause of misdemeanors. Young people will make mistakes, but those mistakes should not be held against them for the rest of their lives. While we are getting more and more permissive in modern society we are becoming less and less responsible for the actions of young people. In modern society discipline at home is disappearing. That trend has to be reversed because it is changing the whole structure of society.

Governments cannot help by legislating against such root causes, but they can help by fostering an attitude that does not cater to permissiveness. If in certain government departments we have people who want to side with revolutionary ideas, with marginal opinions, in opposition to the opinions of the silent majority, then we contribute to this permissive society. We have seen that kind of thing in some of the programs that came from the Department of the Secretary of State in years gone by. It is such situations that the government can help.

I certainly agree that the government has to take some kind of action as suggested by the hon. member for Simcoe North, but as pointed out by the previous speaker it is the intention of the government to do just that in a comprehensive bill. For this reason I would not want the hon. member to think I would talk out a bill of his to prevent it coming to a vote. I simply point out that there will be an all-encompassing bill this fall, and it will be voted on by the House.

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order. The hour appointed for consideration of private members' business has now expired. It being five o'clock, the House stands adjourned until Monday next at two p.m.

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

HOUSE OF COMMONS

Monday, July 23, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

MOTION FOR CONCURRENCE IN SECOND REPORT

On the order:

July 19, 1973—Mr. Stewart (Cochrane) (Chairman of the Standing Committee on Broadcasting, Films and Assistance to the Arts):

That the Second Report of the Standing Committee on Broadcasting, Films and Assistance to the Arts, presented to the House on Monday, July 16, 1973, be concurred in.

Mr. Speaker: The hon. member for Cochrane has given notice of his intention to move concurrence in the second report of the Standing Committee on Broadcasting, Films and Assistance to the Arts. I have to advise the hon. member and the House that the Chair has had a cursory look at the report and there are some procedural difficulties in relation to the form of the report.

As hon. members know, the Chair has pointed out to the House from time to time the importance of following the time honoured form in which committees make recommendations to the House and that the government give consideration to the taking of certain action. This form was not followed in respect of this report and I have some doubt that the House would want the Chair to accept a report presented in this form. I am not making a firm ruling in this regard but I am asking the House to give the Chair an opportunity to look at the matter a little more closely and perhaps discuss it with the chairman of the committee.

* * *

EXTERNAL AFFAIRS

SUGGESTION FRANCE ABANDON FURTHER NUCLEAR TESTS IN ATMOSPHERE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43, without debate, but expressing the deep concern which I am sure is felt on all parts of the House, I move, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

That this House of Commons strongly deplores the action of the government of France in exploding a nuclear bomb in the South Pacific, and urges, in the name of humanity, that any further tests in the atmosphere be cancelled.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Mr. Speaker: My impression is that there is not any "no". If there is, I think that should be made clear. On the assumption that there is agreement, with the approval of members I will put the motion under the terms of Standing Order 43 which reads as follows:

That this House of Commons strongly deplores the action of the government of France in exploding a nuclear bomb in the South Pacific, and urges, in the name of humanity, that any further tests in the atmosphere be cancelled.

Motion agreed to.

* * *

[*Translation*]

MANPOWER

MEASURE TO PROVIDE SUMMER JOBS FOR STUDENTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I request the unanimous consent of the House to move a motion whose urgency is more serious than ever. In view of the lack of jobs offered to students and graduates in June 1973, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That before this House adjourns for the summer, it take steps to spur our national economy so as to enable June 1973 graduates and other students to find jobs and thus earn a living, while at the same time making their contribution to the development and prosperity of our country, which must be our objective if we are to ensure economic prosperity and peace in our society.

Mr. Speaker: The House has heard the motion put by the hon. member. Under Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot therefore be put.

[*English*]

● (1410)

MOTOR VEHICLE SAFETY ACT

AMENDMENT RELATING TO FARM TRACTORS

Mr. Doug Rowland (Selkirk) moved for leave to introduce Bill C-215, to amend the Motor Vehicle Safety Act (farm tractors).

Some hon. Members: Explain.

Mr. Rowland: Mr. Speaker, in very simple terms, the purpose of this bill is to amend the Motor Vehicle Safety Act to provide that the Governor in Council may make regulations requiring farm tractors to be equipped with safety roll bars or safety cabs, and seat belts and thus avoid the tragic consequences which have too often occurred when a tractor has overturned. About 25 farmers a year lose their lives in Canada through this kind of accident.

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

* * *

FAMILY ALLOWANCES ACT

AMENDMENT TO EXPAND CLASSES OF ENTITLEMENT

On the order: Introduction of Bills.

July 19, 1973—Mr. Stackhouse—Bill intituled: "An Act to amend the Family Allowances Act".

Mr. Speaker: Before putting the bill of the hon. member for Scarborough East the Chair has to bring to the attention of the hon. member that there are procedural difficulties relating to the amendments proposed by the hon. member to the Family Allowances Act. My understanding of the hon. member's bill, which I have looked at earlier today, is that he wishes to expand the classes of individuals who could be beneficiaries of payments under the Family Allowances Act. I am sure that if such a bill were introduced by the government, a recommendation would be required, and I have difficulty in seeing how the hon. member can make this kind of amendment to an act without a recommendation. However, I am only pointing that out to the hon. member now so that he might reflect on the difficulty which faces the Chair in the hope that perhaps in the next few days he might have an opportunity to enlighten the Chair on how he thinks that this difficulty can be overcome.

* * *

MARITIME CODE ACT

MEASURE TO PROVIDE A MARITIME CODE FOR CANADA

Hon. Warren Allmand (for the Minister of Transport) moved for leave to introduce Bill C-216, to amend the Canada Shipping Act and other acts in consequence thereof and to enact other consequential provisions.

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

[Mr. Speaker.]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

FEDERAL GOVERNMENT—OVERTIME PAY

Question No. 927—**Mr. Knight:**

1. What were the names of full-time employees in each federal department, departmental corporation, agency corporation and proprietary corporation, who, in the calendar year 1972, received over-time pay in excess of $1,000?

2. What were the amounts of over-time pay in each case and what were the salary ranges of each of those employees?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The information requested is not readily available because it involves the searching of approximately 423,746 accounts covering employees of departments, departmental corporations, agency corporations and proprietary corporations and a very large number of these individual files would have to be looked at. To attempt to answer this question would involve a very large amount of work which costs in manpower and time would be exorbitant or prohibitive.

FEDERAL GOVERNMENT—TRAVEL EXPENSES

Question No. 928—**Mr. Knight:**

1. What were the names of full-time employees in each federal department, departmental corporation, agency corporation and proprietary corporation who, in the fiscal year 1971-72, submitted travel expenses in excess of $1,000?

2. What were the amounts of travel expenses and what were the salary ranges of these employees?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The information requested is not readily available. To provide an accurate reply would entail a lengthy and costly examination of the accounts of all departments, departmental corporations, agency corporations and proprietary corporations, which costs in manpower and time would be exorbitant or prohibitive.

DEPARTMENT OF SECRETARY OF STATE—COST OF REPORT FOR YEAR ENDED MARCH 31, 1971

Question No. 936—**Mr. Andre:**

1. What was the cost of production, printing and distribution of the Report for the fiscal year ended March 31, 1971, for the Department of the Secretary of State?

2. How many copies of the Report were distributed?

Hon. James Hugh Faulkner (Secretary of State): 1. $4,346.59.

2. 1,700.

AIR CANADA—EARLY RETIREMENTS

Question No. 1,186—**Mr. Orlikow:**

1. How many employees have been separated from Air Canada service before attaining the normal retirement age of 65 (account reorganization, on early retirement pension, with separation allowances, ets.) since January 1, 1970?

2. (a) What has been the Company policy in terms of a separation allowance for those retired early (b) has the policy been consistently applies to all employees?

3. (a) Have there been special arrangements made in certain cases (b) are there still some employees on leave of absence with pay who were retired early in 1970 and 1971?

Hon. Jean Marchand (Minister of Transport): Air Canada management advises as follows: 1. Approximately 130.

2. (a) When mutually agreeable to both the employee and the Corporation, a separation allowance is offered based on age, length of service and management level. (b) Yes.

3. (a) No; (b) Information concerning specific employees must be regarded as an internal management matter.

AIR CANADA—PASSENGER TRAVEL RATES

Question No. 1,193—**Mr. Haliburton:**

What are the passenger travel rates that Air Canada is charging on a mileage basis (a) within the Province of Nova Scotia (b) within the Maritime Region (c) between points in the Maritime Region and points in the Central Region (d) between points within the Province of Ontario (e) between points in the Central Region and points in the Western Region (f) between points within the Western Region (g) between Toronto and Montreal?

Hon. Jean Marchand (Minister of Transport): 1. Air Canada management advises: The current domestic fares structure for normal or regular fares is based on the following formula: Routes of 1,100 Miles or Less; $12 plus 5.8 cents per mile; Routes of Over 1,100 Miles; $13.50 plus 6.0 cents per mile for the first 500 miles; $13.50 plus 5.5 cents per mile for the next 500 miles; $13.50 plus 5.0 cents per mile for the next 500 miles; $13.50 plus 4.5 cents per mile for the remaining miles.

Selecting points at random in the areas requested, this formula produces the following fares and rates per mile:

	Mileage	Economy Fare	Rate per Mile
(a) Halifax-Yarmouth	222	$ 20.00	9.00¢
(b) St. John's, Nfld.-St. John, N.B.	666	51.00	7.65¢
(c) Halifax-Toronto	800	58.00	7.25¢
(d) London, Ont.-Sudbury	299	29.00	9.69¢
(e) Calgary-Toronto	1,670	104.00	6.22¢
(f) Winnipeg-Vancouver	1,158	79.00	6.82¢
(g) Montreal-Toronto	315	30.00	9.52¢

The current structure also provides for a number of discounts, as follows: 8/30 Day Excursion available October 1-May 30 on routes over 700 miles, blacked out Fridays and Sundays between 3 and 9 p.m., at 30 per cent discount; Weekend Fare one way or return available all year, midnight Friday to 3 p.m. Sunday at 30 per cent discount; Family Plan 25 per cent discount for spouse, 33⅓ per cent discount for additional dependents and 50 per cent discount for children. Available all year except on Fridays and Sundays; Senior Citizen available all year except Fridays and Sundays at 20 per cent discount; Youth Standby available all year except Fridays and Sundays at 40 per cent discount; Group Fare for 15 persons or more available all year except Fridays and Sundays 3 p.m. to 9 p.m. at 20 per cent discount.

OPERATION SEALIFT

Question No. 1,983—**Mr. Forrestall:**

1. When the bids are received for the 1973 contracts for hauling Arctic cargo by water, operation Sealift, will special preference be made in awarding the contracts on the basis of ownership of Canadian-owned and registered ships and, if not, for what reason?

2. Will such ships be required to have existing Canadian registry at the time of the contract being made?

3. Will the government permit foreign registered ships to change their registry to obtain contracts?

Hon. Jean Marchand (Minister of Transport): 1. Department of Transport tender specifications and contracts for the 1973 sealift requires the contractor(s) to guarantee that all ships used to haul the Arctic cargo will be of Canadian registry and if not British built, then fully duty paid.

2. No, but ships must be in Canadian registry prior to acceptance for loading.

3. Yes, providing they meet the requirements of the Canada Shipping Act and the Coasting Trade Regulations.

OFY—APPLICATION FOR GRANT BY GANANOQUE COMMUNITY PARK

Question No. 2,013—**Mr. Cossitt:**

1. On what date was an application for an Opportunities for Youth grant received bearing file number 31081833 and in the name of Gananoque Community Park?

2. Was this application rejected and, if so, for what reason was rejection made?

Hon. James Hugh Faulkner (Secretary of State): 1. Opportunities for Youth application, "Gananoque Community Park", No. 31081833, was received March 3, 1973.

2. The project was rejected for the following reasons: There was no satisfactory evidence to indicate that project members possessed the necessary skill and experience relating to the project's proposed activities, and little evidence was produced of their specific community support or available skilled expertise.

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

Question No. 2,058—**Mr. Hellyer:**

1. Was an agreement made in 1970 suspending the provisions of the Corporations and Labour Unions Returns Act, Part II, and arranging for the Department of Labour to collect the information required by law to be filed with the Dominion Statistician and, if so (a) by whom (b) under what authority (c) for what reason (d) what was the outcome?

2. (a) By what authority does the Department of Labour publish union membership data and related information coming within the purview of the Corporations and Labour Unions Returns Act (b) does the Minister plan to take action to resolve this jurisdictional incongruity?

Order Paper Questions

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada and the Department of Labour as follows: 1. Early in 1970, at the request of the Minister of Industry, Trade and Commerce, interdepartmental arrangements were developed aimed at eliminating the duplication caused by the concurrent operation of the Department of Labour's annual survey of labour arganizations and the Corporations and Labour Unions Returns Act. Under these arrangements, information submitted by unions to the Department of Labour in fulfillment of the January 1, 1971 survey requirements were made available to Statistics Canada to satisfy the major portion of the 1970 reporting requirements of Section 9 (a) of the Corporations and Labour Unions Returns Act. For this reason, certain additional items of information were requested of unions by the Department of Labour in their January 1971 survey. This arrangement did not reduce the legislative requirements of the Corporations and Labour Unions Returns Act as information which was not available through the Canada Department of Labour survey was obtained directly by Statistics Canada. Following the 1970 survey year, this arrangement was terminated.

2. (a) The Department of Labour publishes union membership data and related information by authority of the Department of Labour Act, R.S., c. 72, s. 4; (b) there is no jurisdictional incongruity.

REVIEW OF INCOME TAX FORMS

Question No. 2,089—**Mr. Crouse:**

In view of the universal unrest throughout Canada over the present inadequate, complicated, and unjust income tax forms, is the Minister of National Revenue planning to review this matter, with the objective of providing a more practical, simplified form for the payment of income tax next year?

Hon. Robert Stanbury (Minister of National Revenue): Insofar as the Department of National Revenue, Taxation is concerned: The premises on which the question is based are considered to be invalid and therefore no review has been planned based on them. There is a continuing program aimed at simplification of income tax forms and the forms are reviewed each year. During this review, suggestions made by taxpayers, tax practitioners and other interested persons are considered as well as the experionce of the department during the previous filing season. Furthermore, the Minister has invited suggestions in this respect from all members of parliament and still awaits with interest those of the hon. member for South Shore. It should be noted that in addition to providing for the various features of the Income Tax Act, the 1972 Income Tax form was designed to serve the needs of nine provincial Income Tax Acts, Canada Pension Plan, Quebec Pension Plan, Unemployment Insurance Act, Ontario property tax credit, and Manitoba education property tax credit. This relieved the public from having to file a multiplicity of separate forms. Every effort will continue to be made to keep the form as simple as possible and at the same time provide adequate guidance to the taxpayer both as to the declaration of his income and as to the deductions to which he may be entitled.

[Mr. Hellyer.]

INFORMATION CANADA—PRINTING CONTRACTS

Question No. 2,132—**Mr. Stevens:**

1. How many individuals were either laid off or allowed to go on vacation from their jobs with the printing department of Information Canada (i.e. The Queen's Printer) in the 12 month period between October 30, 1971 and October 30, 1972 as compared with the period October 30, 1970 and October 30, 1971?

2. How many printing contracts were awarded to the private sector in the period from October 30, 1971 to October 30, 1972, as compared with the period of October 30, 1970 to October 30, 1971 (a) were public tenders requested in each case (b) were the tenders opened in public (c) what were the total amounts involved in each case?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): If the reference in the question to the printing department of Information Canada (i.e. The Queen's Printer) is meant to mean the Printing Operations of the Department of Supply and Services, the answer is: 1. No employees were laid off and no employees were allowed to go on vacation, other than those absences provided for in the Union agreements, during the period October 30, 1970 to October 30, 1972. By attrition there was a reduction in staff as follows: October 31, 1970 to October 31, 1971, 0.8 per cent; October 31, 1971 to October 31, 1972, 4.6 per cent.

2. Five thousand fifty-six printing contracts were awarded to the private sector by D.S.S. Printing Operations during the period October 30, 1971 to October 30, 1972. Two thousand nine hundred seventeen contracts were awarded during the period October 30, 1970 to October 30, 1971; (a) An invitation to tender was issued for all requirements. In a very limited number of cases, such as when there is only one known source of supply for an item, a sole source tender was issued; (b) No; (c) October 30, 1971 to October 30, 1972: $22,731,000; October 30, 1970 to October 30, 1971: $11,501,000.

FEDERAL GOVERNMENT—PLUMBING CONTRACTS

Question No. 2,134—**Mr. Stevens:**

What are the names of the plumbing contractors and suppliers who have regular service contracts with the government in the National Capital area (a) were public tenders requested in each case (b) were the tenders opened in public (c) what are the contract amounts in each case?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Palmers Plumbing Supply Ltd., Ottawa was awarded a Standing Offer contract on February 25, 1972 for the period ending June 30, 1973 for plumbing supplies. The financial limitation of this Standing Offer is $260,000. Interprovincial Plumbing and Heating Registered, Ltd., Ottawa was awarded a Standing Offer contract on March 16, 1973 for the period from April 1, 1973 to March 31, 1975 for plumbing services. The financial limitation of this Standing Offer is $16,000. (a) Yes; (b) no; (c) See above.

*OPPORTUNITIES FOR YOUTH PROGRAMS

Question No. 2,161—**Mr. Clark (Rocky Mountain):**

1. How many programs or applicants proposed for support by Opportunities for Youth this year had previously been denied support by (a) Canada Council (b) any agency of the Department of the Secretary of State (c) any other federal grant-giving agency?

2. Of the above, how many were approved for support by Opportunities for Youth?

3. What was the name of each such program or aplicant?

4. What was the reason for approval in each case?

5. Of the programs or applicants cited in Part 3, which ones had been denied support by (a) Canada Council (b) any agency of the Department of the Secretary of State (c) any other federal grant-giving agency?

6. Of the programs or applicants cited in Part 5 (b), what was the agency of the Department of the Secretary of State which originally declined support?

7. Of the programs or applicants cited in Part 5 (c), what was the other agency which originally declined support?

Mr. Gilles Marceau (Parliamentary Secretary to Secretary of State): Mr. Speaker, this is the answer to the question: 1. Opportunities for Youth does not require applicants to provide information regarding previous unsuccessful requests for support by the Canada Council, any agency of the Department of the Secretary of State, or any other federal grant-giving agency. However, Opportunities for Youth does ask applicants to divulge all aid other than the OFY grant which is available to the project; such aid may take the form of financial support, materials and supplies, facilities, or expertise. Projects are specifically required to identify the source of this support. In the 1973 Programme's "Notes for Applicants", applicants are encouraged to seek additional support from non-OFY sources to partially cover the expenses of their project submission.

2 to 7. Not applicable.

CONTRACT FOR BLOTTING PAPER

Question No. 2,166—**Mr. Hales:**

1. Was a contract KP.66600-2-W334 for blotting paper during the period April 12, 1973 to April 11, 1974 in the amount of $13,527 awarded to Domtar Fine Papers Ltd., Montreal, Quebec?

2. Were tenders called and, if so (a) what are the names and addresses of those who tendered (b) was the lowest tender accepted?

3. Were there any extra charges over and above the above figure and, if so, what were they?

4. Where were the goods used and by what department of government?

5. How were suppliers notified of government requirements?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. No. Domtar Fine Paper Ltd., Montreal is the only known manufacturer of this grade of paper.

3. No.

4. Requisition was raised by the Department of Supply and Services for warehouse stocks and subsequently supplied to all requesting Departments.

5. By formal Invitation to Tender to sole source.

HEALTH AND WELFARE—FUNDS PROVIDED TO "IMAGINE PENTICTON"

Question No. 2,183—**Mr. Whittaker:**

1. (a) What departments supply funds to "Imagine Penticton" through the Penticton Human Resources Organization in Penticton, British Columbia (b) what sums of money have been designated to this organization to date?

2. (a) What are the specific objectives of this organization (b) are regular reports of its activities being received and, if so, what are they and to whom are they sent?

3. (a) How long is the grant to be continued (b) are any funds from this grant being shared with the Penticton Human Resources Society and, if so, how much?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. (a) National Health and Welfare, under the Non-Medical Use of Drugs Program. (b) 1971-72, $10,000; 1972-73, $75,000; 1973-74, $40,000, (for fiscal year).

2. (a) The specific objective of this program is the prevention of drug related problems through stimulating the development of available community resources. (b) Yes, regular reports are received by Non-Medical Use of Drugs Directorate Headquarters in Ottawa in the following manner: (i) Field reports prepared by the British Columbia project officer, as required; and, (ii) Year end progress report prepared by the staff of the project, accompanied by an assessment report prepared by the British Columbia project officer.

3. (a) Funding of the project is to remain until October 31, 1973, with continuation of funding dependent upon the project's progress up to that date. (b) No.

CNR—COMMUTER TRAIN SERVICE OPERATION

Question No. 2,212—**Mr. Stackhouse:**

1. What were the operating profits or deficits by CNR for commuter train services into Montreal during the years 1970, 1971 and 1972?

2. How much of these deficits, if any, were paid by (a) CNR (b) the government?

Hon. Jean Marchand (Minister of Transport): The Management of Canadian National Railways advises: CNR incurred a deficit of $2.1 million in 1970, $2.2 million in 1971 and estimates a deficit of 2.4 million for 1972. These deficits apply to both the Mount Royal Tunnel and South Shore Commuter Services. No subsidy has ever been received for losses incurred on commuter operation. CNR has been obliged to cover these losses from general revenues.

PROPOSED R CLASS ICEBRAKERS

Question No. 2,228—**Mr. Forrestall:**

With respect to the proposed R class icebreakers presently under consideration by the government (a) will such vessels be equipped with bow thrusters (b) what will be the total fuel capacity (c) will such hulls be totally or partially ice-reinforced (d) will the fuel tanks be insulated from the shell plating by either (i) ballast tanks (ii) bulkheads and, if not, what structural precautions will be taken to avoid an oil spill in the event of hull rupture in the vicinity of fuel tanks?

Hon. Jean Marchand (Minister of Transport): 1. (a) Yes; (b) 2,075 tons; (c) totally; (d) Special interior strengthening and high grade steel in hull.

Order Paper Questions

R CLASS ICEBREAKERS—TONNAGE AND HORSEPOWER RATING

Question No. 2,229—**Mr. Forrestall:**

1. What is the proposed tonnage and horsepower rating of the new R class icebreakers currently under consideration by the government?

2. Will such vessels have any usefulness in Canada's Arctic Archipelago outside the short summer shipping season?

3. What speed will such vessels be able to maintain through 5 foot pressure ice?

Hon. Jean Marchand (Minister of Transport): 1. Loaded displacement for Arctic, 7,235 tons. 13,600 shaft horsepower.

2. Yes.

3. 0 knots.

R CLASS ICEBREAKER—FUEL RANGE

Question No. 2,230—**Mr. Forrestall:**

1. What will be the fuel range of the new R class icebreaker in open water?

2. What will be the maximum ice for such vessels to navigate through?

3. What fuel range will such vessels have in such maximum ice conditions?

Hon. Jean Marchand (Minister of Transport): 1. Fifteen thousand nautical miles.

2. Three feet thickness for continuous progress.

3. Twenty five days.

R CLASS ICEBREAKERS—SPEED FOR SEARCH AND RESCUE OPERATIONS

Question No. 2,231—**Mr. Forrestall:**

1. What speed will the new R class icebreakers be able to maintain in open water for search and rescue operations?

2. Will such vessels have helicopter capability and facilities for ice-reconnaissance?

3. Will such vessels be equipped with radio-telegraphy as well as radio-telephones?

Hon. Jean Marchand (Minister of Transport): 1. Sixteen and a half knots.

2. Yes.

3. Yes.

SAFETY OF PHYSICALLY HANDICAPPED IN AIR TRANSPORTATION

Question No. 2,292—**Mr. Mather:**

Is consideration being given to improving the treatment and safety of physically handicapped persons in air transportation, in particular respecting emergency evacuation procedures?

[Mr. Marchand (Langelier).]

Hon. Jean Marchand (Minister of Transport): Yes.

ALLOTMENT OF POSTAGE METER NO. 156107

Question No. 2,306—**Mr. Cossitt:**

To whom has the Post Office Department allotted postage meter number 156107?

Hon. André Ouellet (Postmaster General): Department of Supply and Services 70 Lyon St. Ottawa, Ontario. Postage meter is in service at: Printing Operations, Distribution Services, Room 2736, Sacré-Cœur Blvd., Hull, P.Q.

PROPERTY LEASED BY MURRAY GOLDMAN LTD.

Question No. 2,358—**Mr. Reynolds:**

1. Did Murray Goldman Ltd. lease property registered in the Vancouver Land Registry Office on July 15, 1972 under No. 561347-M to Her Majesty the Queen in Right of Canada, the Department of Public Works for a term of five years?

2. Do the terms of the lease contain a right of renewal with priority over the mortgage in favour of Granville Ventures Ltd. and, if so (a) what is the renewable period and what is the rental rate on the renewed lease (b) what is the annual and monthly rental rate (c) under the terms of the lease, who is responsible for the payment of annual taxes, heat, light, electricity and insurance?

3. (a) What is the declared value of the property on the lease (b) what is the declared value of the said property as registered under the name of Murray Goldman Ltd. in the Vancouver Land Registry Office on September 13, 1971 under the Certificate of Title No. 632864-L (c) does the government consider the rental for this building too high?

4. Did the government have an opportunity to purchase the building rather than lease it?

5. Does the government have an option to purchase the building at the end of the lease or any time during the present lease?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Yes. The correct registration date is July 15, 1972 under No. L 561347-M.

2. Yes. (a) 1-5 years on 12 months prior written notice. (b) 1st year, $126,000 per annum, $10,500 per month, $11.67 per sq. ft. per annum; 2nd year, $132,000 per annum; $10,750 per month, $11.94 per sq. ft. per annum; 3rd year, $138,000 per annum; $11,000 per month, $12.22 per sq. ft. per annum; 4th year, $144,000 per annum, $11,250 per month, $12.50 per sq. ft. per annum; 5th year, $150,000 per annum, $11,500 per month, $12.78 per sq. ft. per annum. (c) Tenant: machine and equipment and improvements; property, excess of 1972 taxes; heat; light; electricity. Landlord: insurance, to building standard only.

3. (a) Not shown; (b) Declared value of the said property as registered under the name Murray Goldman Ltd. in the Vancouver land Registry Office on September 13, 1971, under Certificate of Title No. 632864-L, is $555,000; (c) The rate is comparable to rates being paid by other retail outlets in the general area.

4. The building was not offered for sale, neither was the land on which the building sits.

5. No.

FEDERAL TAX LEVIED ON AVIATION GASOLINE

Question No. 2,373—**Mr. Barnett:**

1. What direct federal tax per gallon is levied on aviation gasoline?

2. What direct provincial tax per gallon is levied on aviation gasoline in each or any of the provinces?

Hon. Robert Stanbury (Minister of National Revenue): In so far as National Revenue is concerned: 1. There is no specific federal sales tax per gallon levied on aviation gasoline. However, the Excise Tax Act provides for a sales tax of 12 per cent based on the sale price.

2. Matters relating to provincial taxation do not come within the jurisdiction of this Department.

PRICE SUPPORT POLICY FOR POTATOES

Question No. 2,418—**Mr. Godin:**

1. Under the price support policy for potatoes, how many persons received payments in 1970, 1971 and 1972?

2. What are the names and addresses of such persons in the constituency of Portneuf and what amount did each receive?

3. What are the names and addresses of such persons in the constituency of Montmorency and what amount did each receive?

Hon. E. F. Whelan (Minister of Agriculture): 1. The Agricultural Stabilization Board did not pay any subsidy to potato growers in 1970. For the fiscal year 1971-72 a total of 1,230 producers were paid.

2 and 3. This type of detailed payment information is considered to be private between the Board and the producers and, because of its confidential nature, is not included with this reply.

IMPORTATION OF PUREBRED EXOTIC CATTLE

Question No. 2,446—**Mr. Neil (Moose Jaw):**

1. What were the total numbers of purebred exotic cattle imported in each year 1969 to 1972 inclusive?

2. What was the breakdown, by province, of permits allocated for each of these years?

Hon. E. F. Whelan (Minister of Agriculture): 1. Number of purebred exotic cattle imported

Year	Number
1969	623
1970	602
1971	931
1972	948

2.

Permits Issued	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
1969	–	4	6	1	21	61	22	114	179	21
1970	7	6	10	8	20	65	46	115	150	21
1971	4	6	9	10	20	70	67	105	293	24
1972	–	1	3	5	13	51	76	135	324	31

Order Paper Questions

EMERGENCIES, DISASTERS AND CRISES IN CANADA SINCE 1948

Question No. 2,450—**Mr. Rowland:**

Since 1948, have there been any emergencies, disasters or crises in Canada which, in the opinion of the government, have not been effectively handled by existing agencies of provincial and federal governments and, if so (a) on how many occasions (b) what were they?

Right Hon. P. E. Trudeau (Prime Minister): All emergencies, disasters and crises since 1948 of concern to the Government of Canada have been effectively handled, and the experience gained from past incidents has been, and will be used to improve effectiveness of response in subsequent instances.

CRISIS MANAGEMENT CENTRE

Question No. 2,451—**Mr. Rowland:**

1. Have senior officials of the Privy Council Office, Security Service of the RCMP, the Treasury Board, the Office of the Deputy Minister of National Defence, discussed the creation of a crisis management centre or similar organization in the Privy Council Office and, if so, has such a recommendation been made to the government?

2. If such a recommendation has been made (a) what would the relationship of such centre be to other agencies or departments which have in the past dealt with a variety of emergencies, ranging from pollution, air crashes and natural disasters to civil planning for war emergencies (b) does it envisage any change in the relationship of existing federal arrangements with appropriate provincial agencies for the purpose of dealing with emergencies?

Right Hon. P. E. Trudeau (Prime Minister): As indicated in the response to Question 20 on February 21, 1973 (*Hansard* Page 1493):1. A study has been made of "crisis handling methods and structures within the federal government.

2. A full summary of findings will be made public in due course.

SALARIES PAID TO LOCALLY ENGAGED STAFF IN VIET NAM

Question No. 2,454—**Mr. Knight:**

What is the annual breakdown of salaries paid to locally-engaged staff who worked in South Viet Nam from 1954 to date?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Prior to 1971 all locally-engaged staff providing services to Canadian personnel were employees of the International Commission of Control and Supervision in Indo-China and as such their salaries were paid by the ICCS. Since then the salaries paid by the Department of External Affairs are 1971, $272.30; 1972, $1,931.54; 1973 January to June, $1,193.44. These salaries (1971-73) were paid to locally-engaged staff performing support work for personnel of the Canadian International Development Agency.

Order Paper Questions

CONTRACT FOR DESK TRAYS

Question No. 2,464—**Mr. Hales:**

1. Was a contract GO.66600-2-B742 for desk trays during the period May 8, 1973 to May 7, 1974 in the amount of $20,262 awarded to Cluthe Sales (Waterloo) Ltd., Waterloo, Ontario?

2. Were tenders called and, if so (a) what are the names and addresses of those who tendered (b) was the lowest tender accepted?

3. Were there any extra charges over and above the above figure and, if so, what were they?

4. Where were the goods used and by what department of government?

5. How were suppliers notified of government requirements?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. Yes. (a) Cluthe Sales (Waterloo) Limited, Waterloo, Ontario Business Accessories Inc., Toronto; (b) Yes.

3. No.

4. DSS Stocked Items to three Supply Centres. Issued as requisitioned by various Departments.

5. Competitive tender.

CONTRACT FOR RATION PACK COMPONENTS

Question No. 2,468—**Mr. Hales:**

1. Was a contract GD.2542008-1 for ration pack components in the amount of $269,948 awarded to Essex Packers Ltd., Hamilton, Ontario?

2. Were tenders called and, if so (a) what are the names and addresses of those who tendered (b) was the lowest tender accepted?

3. Were there any extra charges over and above the above figure and, if so, what were they?

4. Where were the goods used and by what department of government?

5. How were suppliers notified of government requirements?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. Yes. (a) Essex Packers Ltd., Hamilton, Ont.; Puritan Canners Ltd., Toronto, Ont.; H. J. Heinz Co., Toronto, Ont.; Select Food Products Ltd., Toronto, Ont.; Provincial Canners Ltd., Outremont, Que.; Burns Food Ltd., Calgary, Alta.; Green Giant of Canada Ltd., Windsor, Ont.; Campbell Soup Co. Ltd., Toronto, Ont. (b) Lowest tender accepted from those meeting specification.

3. No.

4. Department of National Defence, Canadian Forces Supply Depot, 6769 Notre-Dame St., East, Montreal, P.Q.

5. By Invitation to tender.

CONTRACT FOR ELECTRICAL POWER CABLE

Question No. 2,469—**Mr. Hales:**

1. Was a contract GK.2752067-10, GK.2752077 for electrical power cable in the amount of $30,051 awarded to Canada Wire and Cable Ltd., Ottawa, Ontario?

2. Were tenders called and, if so (a) what are the names and addresses of those who tendered (b) was the lowest tender accepted?

3. Were there any extra charges over and above the above figure and, if so, what were they?

[Mr. Sharp.]

4. Where were the goods used and by what department of government?

5. How were suppliers notified of government requirements?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. Yes. (a) Northern Electric Co. Ltd., P.O. Box 8237, Ottawa, Ont. Pirelli Cables Ltd., P.O. Box 70, St. Jean, P.Q.; Canada Wire and Cable Ltd., 348 Bronson Ave., Ottawa, Ont.; Turmac Industries Ltd., 2975 Victoria St., P.O. Box 45, Lachine, P.Q.; Phillips Cables Ltd., Suite 520A, 56 Sparks St., Ottawa, Ont. (b) Lowest tender accepted from those meeting specification.

3. No.

4. Department of National Defence; No. 1 CFSD, Downsview, Ont.; No. 25 CFSD, Montreal, P.Q.; No. 5 CFSD, Moncton, N.B.; No. 7 CFSD, Lancaster Park, Alberta.

5. By Invitation to tender.

SPECIAL STUDY OF NATIONAL CAPITAL

Question No. 2,474—**Mr. Clark (Rocky Mountain):**

1. What are (a) the terms of reference (b) the operating budget (c) the personnel (d) the expected date of report of the Special Study of the National Capital?

2. Was it the decision of the Minister that the Study would not involve public hearings and, if not, by whom was it taken?

Right Hon. P. E. Trudeau (Prime Minister): 1. (a) "To undertake a study of the most effective arrangements for the future administration of matters directly affecting the National Capital and its development, including the role of the National Capital Commission and its relation to other bodies concerned with the governing of the Capital Region and the coordination of those federal activities which bear upon the development of the Region as a national capital". (b) For the fiscal year 1973-1974, $130,000. (c) At the present time, in addition to Mr. D. H. Fullerton, one administrator and one secretary. Several other additions to the staff are contemplated, together with the part time assistance of consultants. (d) Within one year from June 1, 1973.

2. The decision on public hearings rests with Mr. Fullerton, although the Study has not been constituted under the Inquiries Act, and he therefore does not have the power to summon witnesses. No final decision on hearings has yet been taken, although Mr. Fullerton has said in his advertisement seeking submissions that "It is not my present intention to hold public hearings, since these would more appropriately flow from the review of the National Capital by a Special Committee of Parliament, the establishment of which the government is considering recommending at the next Session." He has added in correspondence on this question that the time, staff, and cost involved in public hearings would make it difficult to finish the study within the time and budget allotted to it, but that the matter would be reviewed in the autumn.

DISPOSAL OF MEDICAL SUPPLIES AND EQUIPMENT AT BROCKVILLE, ONTARIO

Question No. 2,484—**Mr. Cossitt:**

1. Who was in charge of the recent disposal of certain medical supplies and equipment maintained at Brockville, Ontario by the Department of National Health and Welfare?

2. Was a truck rented to transport such materials to the Brockville City Dump and, if so, from whom was the truck rented?

3. Is the Department aware that such material was disposed of in such a way that children were able to obtain needles and other equipment not properly destroyed or covered?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Emergency Health Services, Department of National Health and Welfare.

2. Yes, from Ryder Truck Rentals.

3. The material in question was crushed by machinery at the dump, and completely buried by six to ten inches of earth. This procedure was carried out under the supervision of an officer of the Emergency Health Division. There is no doubt in this case that a number of the administration sets, consisting of rubber tubing and an infusion needle, were not properly pulverized, but they were buried. A subsequent inspection by an official of the Department and a public health inspector from Brockville concluded that the material was well buried, not only by earth, but also by new garbage. The Department is aware of the Police Department report wherein a youth from the nearby town of Lyn admitted having dug up a carton containing several administration sets.

HEALTH AND WELFARE—RENTAL OF PREMISES AT R.R.2, BROCKVILLE, ONTARIO

Question No. 2,485—**Mr. Cossitt:**

1. Since what date has the Department of National Health and Welfare, been renting premises located at R.R. 2, Brockwille, Ontario?

2. From whom are these premises rented and what is the rent paid per month?

3. Does the government have a lease on these premises and, if so, what is the expiry date?

4. Does the government sublet a portion of this building and, if so, to whom and at what monthly rent?

5. What use has the Department of National Health and Welfare been making of this building since rental began?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. September, 1963.

2. Industrial Avenue Realties Ltd., Brockville. Rent is presently $3,900 per month.

3. Yes. February 1978.

4. Yes, a portion is sublet to the Emergency Measures Organization of the United Counties of Leeds and Grenville at $125 per month.

5. The building is used for the storage of emergnecy health medical units for distribution as required and for a reserve stock of the national medical stockpile.

Orders for Returns

DISPOSAL OF MEDICAL EQUIPMENT MAINTAINED FOR CIVIL EMERGENCY PURPOSES

Question No. 2,486—**Mr. Cossitt:**

1. Has the Department of National Health and Welfare recently ordered the disposal of certain medical equipment maintained for civil emergency purposes at various depots throughout Canada and, if so, was this because the material was considered unsafe for human use and what tests were taken to determine that this was so?

2. What was the nature of all the equipment disposed of?

3. What was the estimated total value of all supplies or equipment disposed of?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Yes, the Department of National Health and Welfare, recently disposed of Dextran, a blood plasma expander, and administration sets, which had been purchased for the Emergency Health Program between the years 1959-62. This action resulted from tests taken by the Food and Drug Directorate of the Department which found that the material had been in storage too long and could no longer be recommended for medicinal purposes. (Dextran is a harmless substance which would not be injurious to health even if taken orally).

2. Intravenous Dextran and administration sets.

3. $550,000.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF TRANSPORT—RESEARCH EXPENDITURES

Question No. 97—**Mr. Nystrom:**

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

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

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

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

Return tabled.

WINE LIST AT AIR TERMINALS

Question No. 1,940—**Mr. Cossitt:**

1. What specific Canadian wines are available in each restaurant operated in air terminals under control of the Department of Transport and, in each case, what is the name of (a) the wine (b) the producer (c) the restaurant and airport at which it is available?

2. Are there any such restaurants that have no Canadian wines available to the travelling public?

3. Has the Department of Transport made any effort towards seeking the co-operation of those operating such restaurants in

making wines of Canada available to the travelling public to a greater degree and, if so, what efforts has it made?

Return tabled.

IMPORTATION OF HIGH PROTEIN FEED

Question No. 1,943—**Mr. Mazankowski:**

1. What amount of high protein feeds are imported into Canada from the U.S. (a) in quantity (b) dollar value (c) which provinces (d) amount per province, for the years 1969, 1970, 1971 and 1972?

2. Is there any trade in dehydrated alfalfa pellets between the U.S. and Canada and, if so, how much in (a) dollar value (b) tonnage (c) what provinces?

3. Is there any tariff duty on dehydrated alfalfa pellets moving into export to the U.S. from Canada or vice versa and, if so, what is the amount?

Return tabled.

*OPPORTUNITIES FOR YOUTH PROGRAM

Question No. 2,162—**Mr. Clark (Rocky Mountain):**

1. What is the name and position of each person employed as of April 30, 1973, in Ottawa in the Opportunities for Youth section of the Department of the Secretary of State?

2. What is (a) the name (b) the position (c) the location of each person employed by the government as of April 30, 1973 in any place other than Ottawa, with responsibilities related to the Opportunities for Youth Program?

3. What is the name and position of each person not specified above who was employed by the government as of April 30, 1973, with responsibilities related in any way to the Opportunities for Youth Program, including members of the personal staff of the Secretary of State?

4. Of the persons specified in answer to Parts 1, 2 and 3, how many (a) are now associated (b) have been associated with any group, project or undertaking which has received assistance from Opportunities for Youth?

5. In the case of each person specified in response to Part 4, (a) what was the group, project or undertaking (b) what was the nature of the association (c) what was the date of termination of the association (d) what was the amount of each grant (e) what was the date of award of each grant (f) what was the date of commencement of employment with the government in a position involving responsibilities concerning the Opportunities for Youth Program?

6. What is the name and assignment of each consultant, or other temporary employee, engaged by a representative of the government with responsibilities associated with the opportunities for Youth Program in the period since the commencement of the original Program?

7. Of the persons specified in answer to Part 6, how many (a) are now associated (b) have been associated with any group, project or undertaking which has received assistance from Opportunities for Youth?

8. In the case of each person specified in response to Part 4, (a) what was the group, project or undertaking (b) what was the nature of the association (c) what was the date of commencement of the association (d) what was the date of termination of the association (e) what was the amount of each grant (f) what was the date of award of each such grant (g) what was the date of engagement by representatives of the government (h) what was the date of termination of the engagement in connection with Opportunities for Youth?

9. Of the persons specified in answer to Parts 1, 2, 3 and 6, how many have or had a wife, husband, brother, sister or other close relative (a) now associated (b) associated in the past with any group, project or undertaking which has received assistance from Opportunities for Youth?

[Mr. Cossitt.]

10. In the case of each persons specified in response to Part 9, (a) what was the group, project or undertaking (b) what was the nature of the association (c) what was the date of commencement of the association (d) what was the date of termination of the association (e) what was the amount of each grant (f) what was the date of award of each grant?

Return tabled.

INFORMATION CANADA PERSONNEL

Question No. 2,188—**Mr. McKenzie:**

1. What criteria are used by the Information Canada office in Winnipeg to evaluate personnel for promotion to the positions of (a) documentalist (b) general headquarters administrator (c) chief of administrative services?

2. What are the names, salaries, qualifications and functions of those persons currently occupying the above positions and on what dates were they hired?

3. Were any of those persons occupying the aforementioned positions hired or promoted without having written the appropriate civil service examinations and, if so, for what reason?

4. What is the policy of Information Canada with regard to the hiring and promotion of ex-convicts?

5. Does the government agree with the policy that Information Canada offices hire convicted criminals?

Return tabled.

PARTICIPATION BY CANADA IN INTERNATIONAL TRADE FAIR, BAGHDAD?

Question No. 2,408—**Mr. Macquarrie:**

1. For what reasons did Canada decide not to participate in the International Trade Fair scheduled for October 1973 in Baghdad?

2. Is consideration being given to reversing this negative decision?

3. In so far as the Department of Industry, Trade and Commerce knows, what countries are planning to exhibit at this Fair?

4. At what International Trade Fairs since 1963 has Canada been a participant?

Return tabled.

Mr. Knight: On a point of order, Mr. Speaker, on Wednesday last the parliamentary secretary promised me that he would have answers for questions Nos. 927, 928, 929 and 931. He has answered two of those questions, or at least I assume the answers are coming to me, but the other two have not been answered. I wonder would he take this into consideration. I am referring to questions relating to travel expenses outside the country incurred by those employed in the office of the Prime Minister, and by other departments and agencies of the government.

Mr. Reid: Mr. Speaker, with respect to question No. 929, there is only one governmental agency that is outstanding, and I hope to have the reply from it shortly.

Mr. Cossitt: Mr. Speaker, I should like to ask the parliamentary secretary about questions Nos. 2271 to 2279 inclusive, asking for lists of lawyers maintained by the Department of Justice to do government legal work. I asked the parliamentary secretary about these two weeks ago, and he said it involved getting the names of these lawyers from all the various departments in order to compile the list. I suggest that that statement is not entirely accurate, as the list in the first place is maintained by the Minister

of Justice, and I see no reason why it could not be obtained immediately. Therefore, I would ask the parliamentary secretary to assure me that the list can be made available before the parliamentary recess. Surely, the government would not want to hide the list of lawyers who do business for it?

Mr. Reid: Mr. Speaker, I am not a prophet and I cannot foresee when the House will rise for the summer recess.

ORAL QUESTION PERIOD

[*English*]

LABOUR RELATIONS

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—ACCEPTANCE OF MEDIATION BY UNION—POSSIBLE RESUMPTION OF NEGOTIATIONS

Mr. James A. McGrath (St. John's East): Mr. Speaker, in the absence of the Minister of Labour I should like to direct a question to the Prime Minister. In view of the fact that the chairman of the non-operating railway unions has stated in a letter to the Department of Labour that they are now prepared to accept the mediation services of the department, I would like to ask the Prime Minister if the federal mediators have been in touch with both parties with a view to bringing them together again for negotiations?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. I understand the assistant to the Minister of Labour, Mr. Kelly, is in Montreal meeting with both parties at this time, or has been meeting with them.

Mr. McGrath: As a supplementary question may I ask if the government has been in touch with the railways and the unions, after the failure of the conciliation board to reach agreement, with a view to coming up with a new set of proposals which would form the basis of new negotiations?

Mr. Trudeau: Mr. Speaker, the meetings I have just alluded to have been taking place, and it is not for me to disclose the nature of them.

● (1420)

REQUEST FOR ASSURANCE FROM UNION AND RAILWAYS ESSENTIAL SERVICES WILL NOT BE DISRUPTED IN EVENT OF STRIKE

Mr. James A. McGrath (St. John's East): Mr. Speaker, a further supplementary to the Acting Minister of Transport. May I ask the Acting Minister of Transport if the government is now prepared to state that they have received assurances from the unions that, with the threat of a nation-wide rail strike or rotating strikes, essential services will not be disrupted and specifically that essential food will be transported, grain will be transported and essential ferry services between Newfoundland and Prince Edward Island will be maintained?

Hon. Donald C. Jamieson (Acting Minister of Transport): Mr. Speaker, I cannot reply to each one of those items specifically because I do not know the extent of the commitment that has been made. I can assure the hon. member that representations have been made to the parties concerned with regard to essential services, and very specifically with regard to the maintenance of ferry service between the mainland and the two island provinces.

Mr. Speaker: The hon. member for Humber-St. George's-St. Barbe, a supplementary.

Mr. Marshall: Mr. Speaker, my supplementary has been pre-empted.

Mr. Speaker: The hon. member for Saskatoon-Biggar.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I ask the Minister of Transport whether he has had assurances from the two major railways in respect of the movement of essential food and feed grains, in fact all grains needed, in the possibility of a strike or tie-up?

Mr. Jamieson: Mr. Speaker, I repeat that such assurances have been sought but in that particular case, with the hon. member's indulgence, I will have to take the question as notice and get an answer later. I am not sure what assurances the railways have given.

* * *

MANPOWER

ALLEGED GIVING OF GRANTS CONDITIONAL ON FAVOURABLE TREATMENT OF MINISTER

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Manpower and Immigration. May I ask the minister if he was aware of the alleged offer made by a Liberal member of parliament to a certain group to the effect that a grant would be obtained if they would treat the minister with honey rather than vinegar, and in any case is he in a position to make a statement on this allegation?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the allegation first came to my attention when I read the newspaper this morning. I have had no part nor any discussion on the possibility whatsoever of such an offer involving a grant. I would categorically deny that there was any such arrangement made to which I was party. I am not privy to the discussions that took place between the hon. member mentioned and the group he referred to and I doubt very much that there was such an implication.

LOCAL INITIATIVES AND OPPORTUNITIES FOR YOUTH GRANTS—REQUEST FOR REVIEW OF MINISTERIAL AUTHORITY IN GRANTING APPROVAL

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, a supplementary question. Can the Prime Minister assure the House that the government will review its policy of using ministerial authority to approve LIP and OFY

grants which enabled the government to buy the silence of groups opposed to its policies?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member will recognize that a question asked in those terms is entirely out of order.

* * *

PUBLIC SERVICE

ALLEGED RUG-RANKING SYSTEM OF PROMOTING SECRETARIES—REQUEST FOR SUBSTITUTION OF POINT RATING SYSTEM AND TABLING OF RELATIVE TREASURY BOARD MINUTES

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. The priority recommendation of the public service secretaries' brief was for the replacement of the rug-ranking system by a system which would provide for promotion by way of merit for secretaries. In light of the fact that other professional groups and clerks in the public service were granted such a system more than a decade ago, is the government now going to replace the rug-ranking system with a point rating system for secretaries and if so, will a statement be made this week?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think perhaps the hon. gentleman is not aware that the same system of classification and rating is applied to secretaries as is applied to all other appointments in the public service. The difficulty, of course, is that there tends to be a highly personal relationship between a secretary and his or her employer—

Some hon. Members: Oh, oh!

An hon. Member: Not on this side.

Mr. Drury: —and a tendency to regard the employer rather than the office as being the important factor.

Mr. Baker: A supplementary. In light of that impressive defence of the status quo, would the minister indicate whether the rug-ranking system has been a matter for Cabinet discussion and whether alternatives have been formally considered during the five years he has been President of the Treasury Board? Also, would the minister be prepared to table Treasury Board minutes in this House with respect to discussions and studies that have gone on in connection with this distressing matter?

Mr. Speaker: Order, please. I have doubts about the first part of the hon. member's supplementary but perhaps the hon. minister might reply to the last part.

Mr. Drury: Mr. Speaker, I did not quite hear your comment. I would say that Treasury Board minutes are not published and the agenda of cabinet is not published.

Mr. Baldwin: Only leaked.

Mr. Drury: I would also hope that my colleagues in Cabinet would not be in the habit of discussing slogans.

[Mr. Bawden.]

THE CANADIAN ECONOMY

POSSIBLE INCREASE IN PRICE OF BREAD—REQUEST FOR ALTERATION IN METHOD OF PAYING SUBSIDY TO WHEAT FARMERS TO HELP CONSUMERS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister. It has to do with the reduction in the subsidy to grain farmers to $60 million. In the result it is generally estimated that the cost of a loaf of bread will increase by between one cent and three cents or even four cents. As this $60 million to be paid from year to year is actually the amount that was paid by my administration for acreage payments, on the two occasions when that payment was made, would the Prime Minister, in order to assist in keeping down the cost of living, alter the method of payment, to the end that the consumers of Canada would not have added to the already overwhelming load of the cost of living the additional price they must pay for bread?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the right hon. gentleman wants to ascertain for himself the mathematics, I am sure he will find that the government is subsidizing the consumer of bread to the tune of $60 million a year. What relationship that has to the acreage payment under his administration is something that he can determine better than I can. Whether or not that was a subsidy to the consumer or the farmer, in this case it is obviously a subsidy to the consumer of $60 million a year. The mathematics of it would indicate to the right hon. member that this might result in an increase in the price of bread of one tenth of one cent, certainly a far cry from the four or five cents that he mentioned.

An hon. Member: He did not mention five cents.

Mr. Diefenbaker: The Prime Minister apparently did not read the press when he was on the western tour for the purpose of ascertaining the feelings of the people. I ask him again, why should the consumer of Canada, at the time we have the highest cost of living in history, be loaded with a further addition to the cost of one of the staples, bread, because of the action of this government?

Mr. Trudeau: Mr. Speaker, I am not quite sure of the relevance of reading newspapers on my tour of the west, but I would want to think that over and perhaps I might find intelligence in the comment. On the point of the subsidy, the right hon. gentleman should realize that if we were to increase the subsidy to something above $60 million per year, it would mean an increase in taxes, and I am not sure that this is what the right hon. gentleman would support.

Mr. Diefenbaker: Mr. Speaker, the Prime Minister walked around in a circle in that answer. I simply ask him this: now that he is about to approach the west to find out what western Canada wants, is he not prepared to do something along the lines suggested, so that the consumer of Canada will not be loaded down still further by the failure of this government to contain the rise in the cost of living?

Mr. Speaker: Order, please. I wonder whether hon. members might not agree that this is a restatement of the first supplementary asked by the right hon. gentleman?

Mr. Trudeau: Mr. Speaker, there was a substantially new element in that question and I wonder if I might be permitted to reply to it. It is the suggestion that we have to do something for the west. Surely, the right hon. gentleman realizes that the announcement made by the minister responsible for the Wheat Board, the Minister of Justice, is to the effect that the western farmer will now be permitted to get world prices for the wheat he sells to the miller, instead of the price he got earlier. I see the right hon. gentleman laughs, but he obviously does not understand this.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, I would have expected that applause. While the gabbling of geese saved ancient Rome, I doubt whether that type of thing will save this government.

Mr. Speaker: Order, please. Perhaps the debate might end at this point and we might return to the question period. I will recognize the hon. member for Kingston and the Islands in a moment on a supplementary to the previous question. The Chair will recognize the hon. member for Meadow Lake.

* * *

HOUSING

ALLEGED POOR CONSTRUCTION OF BAL-MAN HOMES, MEADOW LAKE, SASKATCHEWAN—REQUEST FOR INVESTIGATION

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, in the absence of the Minister of State for Urban Affairs, may I direct my question to his parliamentary secretary. In view of the fact that Bal-Man Homes Ltd. built some homes at Meadow Lake, Saskatchewan, of substandard quality, and in view of the fact that this company has not paid some of the subcontractors, this resulting in mechanics liens being registered against the homes, has the minister requested the Saskatoon office of CMHC to conduct a full scale investigation of this matter, to ensure that the home buyers are protected?

● (1430)

Mr. Speaker: Order, please. I have the impression the hon. member's question ought to be placed on the order paper. If I am wrong and there is urgency, it could be considered at the time of adjournment this evening.

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PUBLIC SERVICE

ALLEGED DISCRIMINATION IN RUG-RANKING SYSTEM OF PROMOTING SECRETARIES—GOVERNMENT ACTION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is supplementary to those asked

earlier of the President of the Treasury Board. Is it the position of the minister that the rug-ranking system does treat secretaries as chattels, and, if so, is that acceptable to the government or is this unfair and discriminatory practice, which I can assure the minister does exist, going to be corrected?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, if there is an unfair and discriminatory practice, I would be glad to join the hon. member in seeing it is corrected. I would like to suggest that the problems appear to lie rather with our inability to adequately rate secretaries according to their competence, not to the classification of jobs they currently hold.

Miss MacDonald: In light of the minister's reply and his notable lack of enthusiasm to do anything about this, will he consult with Katherine Cooke, Chairman of the Status of Women Advisory Council, in order to get some expert advice as to how this can be done?

* * *

[*Translation*]

MANPOWER

MEASURES TO PROVIDE SUMMER JOBS FOR STUDENTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to put a question to the Minister of Manpower and Immigration.

In view of the fact that some students are still unemployed and that there are only five or six weeks left before school starts again, will the minister make a statement this week and announce new measures designed to help the young workers immediately and thus lighten the burden of their parents?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we are always concerned about this segment of the labour force which has more difficulty finding employment than other segments. I believe we have already announced several measures which have been publicized in this House and elsewhere, indicative of our special efforts to find suitable employment for them. I can assure the hon. member that student Manpower centres across the country and student employment programs embarked on by my department, and several other departments, including Opportunities for Youth, are making increased efforts, but I do not have anything new to announce at this stage.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, is the minister also aware that some May and June graduates are unemployed, and will his new policy take into consideration the fact that those young workers are now in a very awkward situation?

[*English*]

Mr. Andras: Mr. Speaker, I am well aware of the number of graduates coming from our universities and schools. We are making diligent efforts to find them jobs

through job placement agencies, my department and many others. I might say, as members opposite and members in this party have mentioned, there are many jobs available right now for students. We have some 4,200 people on our list seeking jobs. We have jobs in southern Ontario amongst the food processors and agricultural employers who would be glad to get help. We face some difficulties in that when some people find out what kinds of jobs they are, they do not show all the enthusiasm for them we would otherwise expect to see. This creates some difficulty in placing them and matching applicants to jobs available.

* * *

SPORTS

MONTREAL OLYMPIC GAMES, 1976—ALLEGED PREPARATIONS OF MINT FOR PRODUCING COMMEMORATIVE COINS—MINISTERIAL AUTHORITY

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is to the Minister of Supply and Services. Is the minister aware the Royal Canadian Mint commenced making preparations for the minting of Olympic coins as far back as last March and, in particular, two Olympic coin designs have been chosen and engravers have been working on the dies? If he was aware of the Mint's action, will he inform the House whether this action was taken on his instructions or did the Mint take these steps without authority bearing in mind that the 1976—

Mr. Speaker: Order, please. Perhaps the hon. member might allow the minister to reply to the question. He is now about to make an argument in support of his question and that is not in order.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, the hon. member will surely agree with me that the administration can do the planning. Now, with regard to the Royal Canadian Mint and the actual design of the coins, I do not believe any final decision will be made before normal consultation and final authorization has been granted.

[*English*]

Mr. Stevens: Bearing in mind what the minister has told the House, will he now state if he is aware that two heavy coin presses, suitable for handling the proposed Olympic coin sizes, which were originally ordered for the Winnipeg Mint, are now ready but have been diverted to Ottawa from Winnipeg so that the Mint may be in a position to commence minting the Olympic coins without delay. Was this change in plans on the minister's instructions or did the Mint take this action without his authority?

[*Translation*]

Mr. Goyer: Mr. Speaker, I do not know but I shall certainly inquire.

[*English*]

[*Later:*]

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I have a supplementary question for the Minister of Supply and Services. Did I understand the minister to say that the officials of the Mint have the authority to proceed with the preparation of Olympic coins prior to approval being given by this parliament to the minting of those coins? Is that the position of the government?

[*Translation*]

Mr. Goyer: Mr. Speaker, it is quite sure that if Parliament rejects the government proposal nothing will be done. However, it is also sure that if Parliament authorizes the government to proceed, we could normally do so with the greatest possible haste and we are now working with that in mind.

* * *

[*English*]

HOUSING

STUDENT CO-OPERATIVE PROJECTS—REQUEST FOR REPORT ON ALLEGATIONS OF IMPROPRIETY IN TENDERING—POSSIBLE REFERENCE TO AUDITOR GENERAL

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question is for the Acting Minister of State for Urban Affairs or the parliamentary secretary. Two weeks ago I asked the minister about certain charges in connection with Central Mortgage and Housing Corporation. Can the acting minister or parliamentary secretary advise the House whether a report will in fact be made to the House by the minister or the government with regard to these very serious charges of corruption, collusion and fraud in connection with the tendering practices in construction of certain student co-operative housing projects?

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I understand from remarks by the minister in the House that an inquiry into this matter began toward the end of February. When that inquiry is complete, I presume the minister will make it available to members of the House.

Mr. Baldwin: In view of the fact five months have elapsed since this mythical inquiry was instituted, will the minister or the government now indicate if they are satisfied that no meaningful inquiry is being made and refer this matter to the Auditor General for a thorough and complete study under Sections 62 and 63 of the Financial Administration Act?

Mr. Watson: To repeat my earlier answer, Mr. Speaker, my understanding is that an inquiry was started in February and when the finding is complete, it will be made available to members.

* * *

EXTERNAL AFFAIRS

AID TO AFRICAN COUNTRIES SUFFERING FROM DROUGHT—POSITION OF CANADA AT MEETING OF FOOD AND AGRICULTURAL ORGANIZATION

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Secretary of State for External Affairs. It relates to the drought in Africa and the steps being taken to assist

the people resident there. Is it correct that the Food and Agricultural Organization will be meeting toward the end of this month to discuss this question? If so, will Canada be represented at this meeting, at what level and do we have specific proposals to put forward?

● (1440)

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am very happy to say that Canada has been in the forefront of countries that have been helping in this tragedy in Africa. Mr. Gerin-Lajoie, President of CIDA, has just returned from a personal inspection of the efforts we are making. Our planes were the first to arrive and have been the most useful in carrying food from the ports to the interior. As to the specific question, I am not quite sure whether the food and agriculture organization is having a meeting. At any rate, I had a letter on Friday from the Director General of the organization thanking Canada for its co-operation.

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ENERGY

TAPS TANKER ROUTE—REQUEST FOR ASSURANCE CANADIAN POSITION MADE CLEAR TO UNITED STATES IN MAY, 1972

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and relates to recent problems connected with the tanker route and a trip tomorrow by some parliamentarians to Washington. In view of the government's position that answers given to the United States have been on public record and known for many months by the United States, can the minister assure the House that the vital question concerning ownership of the pipeline was made abundantly clear to United States secretary Rogers Morton in May, 1972?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the Minister of Energy, Mines and Resources said in the House he had been carrying on these talks with the United States administration directly, I think he ought to answer the question rather than myself. I did not have any conversations with Secretary Morton.

Mr. Fraser: Mr. Speaker, there is some urgency in having this answer as this trip tomorrow may well be abortive. In view of the fact the Minister of Energy, Mines and Resources seems to have some doubt himself as to whether he made this position clear to United States Secretary Rogers Morton in May, can the Secretary of State for External Affairs assure the House that this position was stated publicly by the government before July 6, 1973 and, if so, when?

Mr. Sharp: Mr. Speaker, I do not accept the statement by the hon. gentleman about the position taken by my colleague, but I think this question should be directed to the minister responsible. I am not responsible for pipeline policy in my portfolio, and this question should be directed to him.

Mr. Baldwin: We do not think he is responsible, either.

Mr. Fraser: Mr. Speaker, under the circumstances I should like to direct the question to the right hon. Prime Minister. It will be too late tomorrow to ask this question, and I would ask the Prime Minister whether he can advise the House that Canada's position on the ownership of the oil pipeline was made clear to Rogers Morton in May, 1972, as was indicated in respect of the whole question of Canada's position by the Minister of Energy, Mines and Resources on Thursday last?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am trying to recall what the minister said in the House, and no doubt the hon. member like myself could find it in *Hansard*. I have some doubt that he said every aspect was made clear in May, 1972, but I do recall him having said that every aspect had been made clear to the United States well before the date in July, 1973 about which the hon. member is asking. If that is not correct I will try to ascertain from the minister, who I believe is travelling west, or rather at a meeting of the National Advisory Committee on Petroleum, later today and perhaps have an answer for the hon. member.

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AGRICULTURE

FEED GRAINS POLICY—REQUEST FOR ASSURANCE CONTROL WILL REMAIN WITH WHEAT BOARD

Mr. Gordon Towers (Red Deer): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. In view of the growing concern of many western grain producers with regard to the government's forthcoming feed grain policy, will the minister assure us now that feed grain will not be removed from the control of the Wheat Board without the approval of grain producers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the intentions of the government have been outlined in an announcement on feed grains policy. We intend to adhere to that policy and it will be announced by August 1.

* * *

INDUSTRY

AUTOMOBILES—ALLEGED INCREASE IN PRICE OF PARTS BY GENERAL MOTORS—CONSULTATION WITH MINISTER

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Given the fact that industrial sources indicate that General Motors has increased the price of its replacement parts by 20 per cent to compensate for the 1973 price freeze on automobiles, can the minister advise whether he was consulted on this matter and will other automobile manufacturers be following the same course of action?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I notice the hon. member referred to replacement parts rather than to new automobiles. In regard to the direct question as to whether or not

my department was consulted, I will be pleased to make inquiries.

Mr. Kempling: Mr. Speaker, could the minister advise the House whether the subject of automobile replacement parts prices was discussed when he negotiated the price freeze on 1973 automobiles with the manufacturers?

Mr. Speaker: Order, please. I suggest to the hon. member that perhaps that question might be placed on the order paper or considered at the time of adjournment.

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FEDERAL-PROVINCIAL AFFAIRS

INQUIRY AS TO OBJECTIONS FROM PROVINCES ON JURISDICTIONAL GROUNDS TO IMPOSITION OF PRICE AND INCOMES CONTROLS BY FEDERAL GOVERNMENT

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a question for the Prime Minister. I wonder whether the right hon. gentleman would tell the House if any provincial premier at the last Dominion-Provincial Conference indicated any intention to dispute on constitutional grounds the jurisdiction of the federal government in the event the federal government desires to get into a prices and incomes control policy?

Right Hon. P. E. Trudeau (Prime Minister): Not to my recollection, Mr. Speaker. I would not want to be put in the position of stating definite constitutional positions of all provinces, but I cannot remember any vociferous expression of opposition.

Mr. Lawrence: Mr. Speaker, in view of the fact that at least three or four of the premiers immediately after the conference, and some of them even since, have publicly gone out of their way to indicate they would certainly not dispute jurisdiction of the federal government, I wonder whether the Prime Minister could recollect if there was a discussion on that particular ground and, if so, inform the House?

Mr. Trudeau: Yes, the subject was raised and some provinces did volunteer the opinion that they would not oppose federal government action in that field. I just answered the previous question by indicating I could not speak for all the provinces, as I do not believe they all expressed an opinion on that. I might add that this was not the real bone of contention, if I could use that expression. It was not so much the constitutionality of measures, but whether they would work, and on this there seemed to be a strong feeling that they would not.

* * *

AGRICULTURE

ALLEGED SHORTAGE OF FOOD—POSITION OF CANADA AT GATT NEGOTIATIONS

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the world situation and the fact that it is becoming all too apparent there will be a short supply of foodstuffs, will the minister inform the House what moves and actions he will take on behalf of Canada on upcoming negotiations on trade under GATT, and can he inform the House whether his department has considered this situation in terms of what policy will be presented?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I want to say, first of all, that I am more optimistic than the hon. member about the world's supply of grains, etc. Crop reports from the U.S.S.R. show a 12 per cent increase in the production of grain this year, and the United States forecasts a tremendous increase in the production of grain and soybeans. Our people are discussing these things at GATT, as far as that goes, but for me to try to give a full report at this time as to what stage they are at, how they are doing or what they are doing would be impossible.

POSITION OF CANADA ON NEW INTERNATIONAL GRAINS AGREEMENT—REQUEST FOR STATEMENT BY MINISTER

Mr. Bill Knight (Assiniboia): Mr. Speaker, would the minister inform the House whether he is prepared to make a statement on motions in the near future, informing the House whether the government is attempting to get another international grains agreement in light of the need for grain supplies and the need to be in a position or in a mood to consider this type of agreement? Will the minister inform the house whether he would be prepared to do that?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, at a meeting of the OECD in Paris sometime ago this topic was discussed by governmental officials at all levels of each government concerned. This is very much on the mind of the government here as well as an the minds of many other governments; that is the fact that this is the type of program that should be negotiated. We are studying and looking at it very closely, but I cannot say when I might be prepared to make a statement to the House as I leave this afternoon for Charlottetown, and then from Charlottetown I go to Calgary. If you can be patient until I get back maybe a statement can be made.

SOYBEAN MEAL—DIFFERENTIAL IN PRICE BETWEEN CANADA AND UNITED STATES—GOVERNMENT ACTION TO CORRECT

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a question for the Minister of Agriculture. Will the minister be attempting to have the cost of soybean meal equalized as between Canada and the United States in order that our Canadian producers will not be at such a disadvantage, keeping in mind that soybean meal for protein supplement is costing our Canadian producers twice as much as the United States producers have to pay?

● (1450)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, there is a great discrepancy in the price of this protein. We are watching the prices very closely and comparing what the United States producers of agricultural products pay and what the agricultural producers pay in

Canada. How quickly we can rectify the situation I do not know, and I do not believe anyone knows. However, so far as we are concerned there is this great difference between what producers of agricultural livestock and poultry have to pay for this protein in Canada and what the United States producers have to pay who are in direct competition with Canadian producers.

Mr. Speaker: Order, please. I think I must bring to the attention of hon. members that we are running short of time. A number of members are waiting to ask questions, and with the situation in the House this afternoon I was hoping all hon. members to my left who wished to ask questions might be permitted to do so. It seems that perhaps the members in the fourth and fifth rows will not have an opportunity unless we limit supplementaries.

Mr. McKinley: Mr. Speaker, the minister suggested what he would like to see done in this regard. I should like him to tell the House what he is doing specifically to rectify this situation?

Mr. Whelan: I would like to get some suggestions from the opposition, if they have any, rather than have them just tell me to do something, because we certainly have programs which we can initiate but it would take tax dollars to do this.

PROTEIN FEEDS—SUGGESTION CANADIAN POLICY DEPENDENT ON UNITED STATES POLICY—GOVERNMENT POSITION

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to ask a supplementary to the question asked by the hon. member for Assiniboia. I wish to ask the Minister of Agriculture, in view of the fact that an official of the Department of Industry, Trade and Commerce some time ago said, that the Canadian government and the Department of Agriculture were awaiting a policy development by the United States before they took a definite stand on agricultural policy in Canada, are the government and his department still awaiting the development of United States policy before Canada takes a stand in this House?

Hon. E. F. Whelan (Minister of Agriculture): Well, I think we are dependent on the United States for protein because, to a great extent, it comes from the United States. Whatever they do has an effect on our situation here. I visited the United States in February and one of the questions we asked was whether they intended to freeze the price of protein or whether they intended to restrict supplies. At that time they had no intention of restricting supply because they thought they had an ample supply for all their world customers, including Canada. The situation changed later, and has changed again just recently. I think it is too soon to say how quickly the prices will level off or where the program will go from here.

Oral Questions

HISTORIC SITES

ALLEGED PROHIBITION OF MEMBERS FROM PARTICIPATING IN CEREMONY COMMEMORATING OLD STONE MILL IN VILLAGE OF DELTA

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development arising out of the ceremony commemorating the Old Stone Mill as a national historic site in my riding in the village of Delta last Saturday, July 21. Will the minister tell the House whether instructions were given to his department and by whom that the federal member for Leeds, the provincial member for Leeds and the local municipal reeve were to be prohibited from taking part in the commemoration ceremony on the ground that they are members of the Progressive Conservative Party?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, to my knowledge no such guideline has been given. I know that several times during the past weeks, under similar circumstances, some members opposite wrote to tell me that they had been very well received by my staff.

* * *

[*English*]

TRANSPORT

REQUEST FOR PUBLIC INQUIRY INTO RAILWAY ACCIDENTS—GOVERNMENT POSITION

Mr. J. R. Ellis (Hastings): Mr. Speaker, in the absence of the Minister of Transport and his parliamentary secretary may I ask the Prime Minister, in light of the disastrous rail accidents in the last few days, whether he would use his very real powers of persuasion with the Minister of Transport to immediately institute a public inquiry into rail accidents in Canada.

Mr. Speaker: That is a representation. The hon. member for Winnipeg South Centre.

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THE MINT

POSSIBILITY OF DUPLICATE COIN PRESSES IN WINNIPEG AND OTTAWA—GOVERNMENT POSITION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I should like to direct a question to the Minister of Supply and Services. Would the minister inquire whether there will be coin presses for both Winnipeg and Ottawa and whether in fact there will be duplicates of equipment.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I would be surprised, but I will surely inquire.

Oral Questions

[*English*]

AGRICULTURE

FEED GRAINS POLICY—INQUIRY AS TO WHETHER DECISION MADE ON RETENTION OF CONTROL BY WHEAT BOARD

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is supplementary to questions asked some time ago of the Minister of Agriculture. I would ask him whether or not the cabinet has made a decision concerning exclusion of feed grains from the Canadian Wheat Board. Has there been any such decision made?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as I said to some other members, the decision and announcement will be made by August 1.

Mr. Diefenbaker: Mr. Speaker, a simple question like that should be answered clearly. If the government pretends that no decision has been made I should like to ask the minister what will be the nature of the discussion he is to have in Prince Edward Island in connection with feed grains?

Mr. Whelan: Mr. Speaker, I have been invited to attend the meeting. It is not my meeting in Prince Edward Island. I am invited to attend the meeting of provincial ministers of agriculture from all across this land. They are to make their suggestions and requests to me. I am to be there to listen, but you can be sure that will not be all I will be doing there.

Mr. Speaker: Order, please. The Chair will recognize the right hon. gentleman for a supplementary, but again I ask for co-operation of members because there are only two minutes left before the end of the question period.

Mr. Diefenbaker: This is a question which affects western Canada to a degree no other matter does.

Some hon. Members: Oh!, oh!

Mr. Diefenbaker: Mr. Speaker, you will notice how the Liberal members ridicule western members by their attitude.

Mr. Speaker: May we have order, please. Perhaps the right hon. gentleman might ask a question now. We are running short of time.

Mr. Diefenbaker: Mr. Speaker, if you would direct your observations to the government members who sneer and yell when I mention western Canada I would appreciate it.

Mr. Trudeau: Don't lecture the Chair.

FEED GRAINS POLICY—REASON FOR ANNOUNCEMENT ON AUGUST 1—POSSIBLE CONSULTATION WITH WHEAT POOLS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I ask the minister why August 1 has been chosen as the time for the announcement, and does the minister, when he goes west along with the Prime Minister to learn what the west wants, intend to interview the various wheat pools in western Canada to ascertain their suggestions and will they be listened to, too?

[Mr. Goyer.]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this is a very important question which the right hon. gentleman has asked, and I want to say that the Minister of Agriculture for Canada is concerned about the interests of all farmers of Canada. It will be my concern, as it is the concern of the government, to make sure that all farmers in Canada, wherever they may be, those who use feed grain or not, will be treated in an equitable fashion. This is my job as a member of the government and I understand it is government policy to listen and consult. I have discussed this with members of the wheat pools of the three provinces and leaders of farm organizations. I know some of their views. They are not all opposed. All have different views. We are also listening to the provincial governments, and I certainly cannot say so far that they are unanimous in their feelings about what should be done in respect of a feed grains policy.

Mr. Speaker: The Chair will recognize the hon. member for Saskatoon-Biggar who also has a supplementary on this matter, then the hon. member for Esquimalt-Saanich and then call orders of the day.

FEED GRAINS—REQUEST FOR ANNOUNCEMENT OF POLICY

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to ask the minister a supplementary question. In view of the fact that this government, the Minister of Justice in charge of the Wheat Board, and the Minister of Agriculture are responsible for a grain marketing policy, I should like to ask the minister whether he is prepared to take a responsible stand, be responsible to this parliament, and announce to the House what their policy is with regard to marketing feed grain.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this minister is responsible and any stand he takes will be a responsible one.

* * *

● (1500)

ENERGY

TAPS TANKER ROUTE—SUGGESTION NO CO-ORDINATION OF DISCUSSION WITH UNITED STATES BY DEPARTMENT OF EXTERNAL AFFAIRS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I address a question to the right hon. Prime Minister. It arises because of the answer given by the Secretary of State for External Affairs to the question put to him by my colleague, the hon. member for Vancouver South, claiming that the Secretary of State for External Affairs is unaware of the exact nature of the exchanges that took place between the Minister of Energy, Mines and Resources and the United States embassy. I would like to ask the Prime Minister if it is now government policy to allow relations between Canada and foreign governments to be carried on through any and all ministries of govern-

ment, without even a co-ordinating role being assigned to the Department of External Affairs.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, no, that is not the policy of the government and I am quite sure my friend misunderstood what the Secretary of State for External Affairs indicated. It was that ministers, such as the Minister of Energy, Mines and Resources, do have contacts with their opposite members, in this case United States Secretary Morton, on subjects which are specific to them, but always with the knowledge and under the general co-ordination of the foreign policy conducted so ably by the Secretary of State for External Affairs.

An hon. Member: That may be the problem.

GOVERNMENT ORDERS

[*Translation*]

CRIMINAL CODE

REINSTATEMENT OF LAW RELATING TO CAPITAL PUNISHMENT THAT EXISTED PRIOR TO DECEMBER 30, 1972

The House resumed, from Friday, July 20, consideration of Bill C-2, to amend the Criminal Code, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Mrs. Albanie Morin (Louis-Hébert) moved:

That Bill C-2, An Act to amend the Criminal Code, be amended in Clause 2 by deleting on page 1 the comma in line 15, by inserting an "(*a*)" immediately before the word "in" in line 16, by re-numbering paragraphs (*a*) and (*b*) as (i) and (ii), and by adding immediately after line 5 on page 2 the following new paragraphs:

"(b) in respect of a male person, where such person causes the death of a female person while committing or attempting to commit rape, and

(c) in respect of any person, where such person causes the death of a human being while committing or attempting to commit an offence under section 247, or, if while committing or attempting to commit that offence, such person abandons a human being and death ensues as a consequence."

Mr. Speaker: Order, please. I have to apologize to the hon. member.

[*English*]

The hon. member for Winnipeg North Centre (Mr. Knowles) is rising on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my point of order arises out of a matter that was left in the air on Friday when questions were raised as to whether Your Honour might defer the vote on one report stage amendment since there is to be another one. Of course, this is Your Honour's right under Standing Order 75(11). I think it would be helpful for the House in this debate to know whether that is Your Honour's intention.

Mr. Speaker: The position of the Chair in such matters is that although there is, under our Standing Orders, the authority granted to the Chair to make such a decision, it might be better to see how the debate develops. Perhaps some time in the month of August the Chair might give the matter further consideration.

Some hon. Members: Hear, hear!

Mrs. Morin: Mr. Speaker, some of my colleagues have accused me of unduly delaying the work of the House and our adjournment by presenting this amendment; consequently, I will be very brief in enumerating the reasons which prompted me to present it. I have no intention of discussing the pros and cons of capital punishment, as this question was covered during the many debates in the House since the presentation of Bill C-2.

[*Translation*]

The amendment before this House today is aimed at the retention of capital punishment in cases of kidnapping or rape during which the victim is murdered. In other words, any person found guilty of murdering a person whom he has kidnapped or raped, would be liable to the death penalty. Of all criminal acts, kidnapping or rape followed by murder is certainly the most odious. Capital punishment is the only just punishment for the most odious crimes and it is the only penalty that can atone for an unpardonable crime.

The death penalty by hanging embodies all the repulsion and all the horror that society feels towards the most serious of all crimes.

The punishment inflicted for a serious crime should clearly show the repugnance it evokes in most people, and in the final analysis a punishment is justified not so much by its value as a deterrent but because it constitutes the categorical condemnation of a crime by society. Thus, some murders, for example, a kidnapping or rape during which the victim is murdered or is subsequently murdered, require the ultimate punishment, the death penalty.

Why, Mr. Speaker, these crimes in particular, and not all other crimes in which there is loss of life? Because, quite simply, kidnapping or rape followed by murder involves a two-stage decision—and this is the point I wish to stress—the decision is sometimes premeditated in both cases. They are two, separate criminal acts. In the case of kidnapping in particular, in view of the fact that it is not a single decision—once the kidnapping is carried out, the aim is to obtain ransom or the liberation of a criminal—it is logical to assume that the deterrent power of capital punishment, in the second decision, that of whether or not to murder the victim, will have its deterrent effect on the conscience of the person who is considering committing a second criminal act.

More specifically, Mr. Speaker, unless he is not fully in possession of all his faculties, an individual who, after due consideration, decides to kidnap or rape his crime once committed, is the master of a second decision, whether to kill or spare his victim. If this individual does not go beyond his first crime and liberates his victim, he is liable to life imprisonment and it is at this very point that capital punishment may exert its deterrent or preventive effect.

If the first crime is a spontaneous and thoughtless act, the second crime which implies a second decision is not, as was the case in Pierre Laporte's murder, for some time

elapses between the first and the second crime. In other words—I repeat—the individual who is in possession of all his faculties has a choice between capital punishment and life imprisonment. The choice being his own, the individual chooses between the two sentences.

Not only would capital punishment have deterrent effects in these definite cases in preventing the second crime, but it would have the persuasive effect of liberating the victim.

Some hon. members from both sides of the House have objected, when this amendment was debated in the Committee on Justice and Legal Affairs, that the amendment I was proposing meant that crimes involving two criminal actions were liable to capital punishment, particularly armed robberies when one individual is killed whether he be a bank employee or a passerby. This is totally different and this kind of murder does not involve premeditation. Certainly an armed robbery involves premeditation but the murder of a bank employee or a bystander is accidental because the objective is to rob the bank and not to kill such or such a person. It is not a double decision. An armed robbery involving murder is one thing while kidnapping is a criminal action as well as the execution of the victim. This is what I am trying to say: two criminal actions or a double decision.

● (1510)

[*English*]

The second reason which compels me to propose this amendment, Mr. Speaker, is that this kind of criminal act is a twentieth century crime which seems to have become prominent lately. For instance, South America has already experiencesd its ninetieth kidnapping: the victims have been presidents of companies, diplomats, and children of wealthy families.

If memory serves me correctly, in the province of Quebec in the last three years there were three cases of kidnapping followed by murder, and there is no proof that one of the victims would not have been spared if capital punishment had been in force for these particular cases.

[*Translation*]

In case of rape when the victim is murdered or subsequently murdered it is true that those criminal actions are totally different from kidnapping followed by murder but they are both foul. It is true that the individual's overexcitement may influence his first criminal action. It can even happen that the victim is murdered before being raped but, once more, this is a double decision and here again I think that the death penalty cannot but have a preventive or deterrent effect.

While preparing those few remarks, I read again the comments of a few Canadian politicians following the assassination of Pierre Laporte and I would like to quote them.

The Alberta attorney general, for instance, said that the kidnappers and murderers of Pierre Laporte were "wild dogs" and should be treated as such. Now, how are wild dogs treated?

British Columbia Attorney General Leslie Pearson urged the authorities of this country not to be merciful towards Pierre Laporte's kidnappers and subversive elements responsible for this murder. Well, one of the accused was acquitted from the kidnapping and murder charges.

I know that many hon. members will say that my argument is based on the deterrent effect of capital punishment. In fact, Mr. Speaker, I must at this stage inform the House of the inquiry I carried on among prison guards and correction officers of the various penitentiaries I visited recently.

All but four of the guards and correction officers who were interviewed believed that the retention of capital punishment as it existed in December 1972 was an additional protection for them, and therefore that it had a deterrent effect on murderers.

A murderer who is serving a life sentence, they said, has nothing to lose if he kills two or three guards who are hostile to him. Therefore, they think that capital punishment is an additional protection. A few guards even told me that they would resign the day following the abolition of capital punishment.

Other hon. members of the opposition, in particular on the far right, have called me a "hangwoman", raising the argument that capital punishment was inhuman. This may be true, but is murder less inhuman? At the bottom of his heart, does the murderer have any regard for the dignity of his victim?

I wonder how these hon. members can call me a hangwoman because I propose a deterrent in cases of kidnapping or rape, while many of them support the abolition of capital punishment, that is true, for murderers who have acted contrary to the rules of society, but they pronounce at the same time or in another time in favour of abortion, that is to say the murder of innocent children who have done nothing wrong against society. How in all logic can one support total abolition of capital punishment and abortion at the same time?

[*English*]

I repeat that the ultimate goal of this amendment is to prevent killing in the case of kidnapping and rape. If by my proposed amendment I am instrumental in preventing the murder of one such victim, I will have accomplished more than certain members of this House hope to accomplish by the abolition of the death penalty.

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I rise in support of this amendment and hope that hon. members, voting according to choice in a free vote, will see the merit of adding the amendment to the bill before us.

There are a number of reasons why it should receive general support. One of them, as indicated by the mover of the amendment, is that kidnapping itself is a heinous crime. In our Criminal Code we have already made the distinction between one kind of crime justifying execution and another kind where a more moderate penalty would be appropriate. The Criminal Code thus distinguishes between capital and non-capital murder. Bill C-2 itself distinguishes between the murder of a prison guard or police officer and any other homicide. Therefore, in principle this amendment is following those precedents, suggesting as it does that this particular crime of murder committed during kidnapping is the kind that would call for the death penalty.

I think this is an amendment which would receive widespread support from the public which has been shocked by the general laxity on the part of the government over the years in the treatment of offenders, by its generally permissive attitude toward many kinds of crime in terms of moderate sentences, and in terms of generous and lax administration of parole and other programs. We must recognize that there is general public demand for a firming up in our administration of the law.

Just a few years ago, for example, a young woman in a rural community not far from metropolitan Toronto was kidnapped by a gang of men and held for several days while they demanded a high ransom. But this crime led only to moderate prison sentences and within a couple of years most of these kidnappers were out on parole. It is this lax attitude toward serious crimes which has aroused the concern of the public. I believe the public would generally endorse this amendment, saying, "Should a life be taken during a kidnapping, execution would be the approriate penalty." Therefore I hope that the amendment will carry.

Another reason is that we must be mindful of the way in which the threat of the death penalty can deter a potential murderer who is a kidnapper. We know that frequently kidnappers have taken the lives of those whom they have held for ransom, simply because this freed them from the threat of being identified by their victims at a later time. Having obtained the ransom, they were ruthlessly callous toward their victims. I believe they could be deterred by the threat of the death penalty. I would hope there would be general support for this amendment as an act of compassion to the kidnap victim. We see a lot of compassion for the people who commit these heinous crimes, but seldom do we shed a tear for the person whose life has been taken, perhaps after great suffering. I would hope that through compassion for that kind of person we would be prepared to offer these legal protections. Surely the law ought to be the arm by which society will protect its members against those who are really carrying on a war against society.

● (1520)

Similarly, the amendment calling for capital punishment in the instance of murder committed during rape calls for our support because this is an equally heinous crime, an example of heinous, indefensible murder. I hope that in the debate that may ensue nobody will mislead the House again by misrepresenting the issue, as has been done so often in the House and in committee, by pointing out how in times past there was capital punishment for theft, pickpocketing, horse thieving, and so on. I hope nobody will say that here is another example of wanting to have capital punishment for a whole series of crimes. Note, Mr. Speaker, that the amendment does not call for the addition of any more crimes; it calls for capital punishment to be invoked upon the perpetrator of the same crime, namely, murder. It is not calling for capital punishment for a kidnapper or a rapist as such, but for a murderer. It could be argued that one murder is like any other, but we have accepted in this parliament over more than a decade the distinction between capital and non-capital murder; we have accepted the distinction between one crime of murder and another—for example, between an act on impulse by someone who would not otherwise commit any crime, and a crime caused by ruthless disregard of the interests of others, the callous, lustful desire to impose one's will over others.

I believe that if we were to accept this amendment we would be moving in the direction that it is obvious an increasing majority of Canadian citizens want their government and parliament to move. It has been demonstrated by many members on both sides of the House that polls and surveys taken throughout the country have indicated a growing number of Canadians want a firming up in the administration of the law. They look upon the capital punishment issue as an example of that, because to a large degree Bill C-2 is not simply an act of legislation; it is a symbolic act, an act that symbolizes a permissive attitude on the part of many members of government who over the years have given priority to the interests of those who are committing crimes, rather than a priority to those who are their victims.

Mr. Speaker, I hope that we will have a change of direction here and will follow the direction that the Canadian people want us to follow. I believe that while this amendment could be called into question in this way or that, fundamentally it is pointing us in the direction that has majority support. this is not because most Canadians have some kind of blood lust that they are trying to satisfy, not because the Canadian people have a kind of sadism that they have to express through capital punishment but, rather, because the Canadian people want to put the criminal element of this country on notice that when a person takes the life of another, he risks the supreme penalty.

We might very well extend the list of crimes where capital punishment would be the penalty that could be invoked. Certainly, in the interests of protecting the lives of policemen and prison guards we have a minimum list, and in adding kidnapping and rape we are equally modest in extending the list available to us. I would therefore hope, Mr. Speaker, that in line with the desires of the Canadian people, expressed on a large number of occasions, parliament would support this amendment as a demonstration to the people that we mean business, that we are going to firm up our law enforcement and that we are going to use the law as it is intended, that is, to protect society.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, we are now considering the amendment introduced by the hon. member for Louis-Hébert (Mrs. Morin) to Bill C-2, amending the Criminal Code, and aimed at adding provisions to the existing legislation which stipulates that murderers of policemen or prison guards may be sentenced to death.

Mr. Speaker, the hon. member for Louis-Hébert (Mrs. Morin) certainly deserves to be congratulated for her proposal, for the government is clearly set on the total abolishment of capital punishment in Canada.

For reasons well known to the House, the amendments introduced by the Solicitor General (Mr. Allmand) have been "withdrawn from circulation" and we have resumed

our consideration of Bill C-2, to maintain in effect the existing legislation for the next five years.

● (1530)

Now the hon. member for Louis-Hébert proposes, in her amendment, the following new sub-paragraphs:

"(b) in respect of a male person, where such person causes the death of a female person while committing or attempting to commit rape, and

Mr. Speaker, in view of the fact that nowadays we hear so much talk about the equality of the sexes, I would also have added "in respect of a female person, where such person causes the death of a male person"—That happens too, and the law must be made equal for all.

Mr. Speaker, in sub-paragraph (c) the hon. member for Louis-Hébert proposes, and I quote:

(c) in respect of any person, where such person causes the death of a human being while committing or attempting to commit an offence under section 247, or, if while committing or attempting to commit that offence, such person abandons a human being and death ensues as a consequence."

Mr. Speaker, this is an amendment that cannot be defeated. I believe, however, it will still not be sufficient. Only this morning I could read about so many squaring of accounts in the Montreal newspapers during which two or three persons were murdered last night.

Everywhere we sense a lack of security among people. People are afraid to walk the streets because of hoodlums who are not afraid anymore or scarcely afraid of the law. They are sentenced to life imprisonment. After 20 years, they are released, if not after ten years, and they cannot be rehabilitated because society is not adapted to that kind of treatment. For instance, is there a member of Parliament who would employ a former convict upon his release from prison? One would be frightened at once and would say: He is a murderer; he has been in prison and his rehabilitation is almost impossible. Let me point out, Mr. Speaker, that in some cases, it may be possible, but it is often impossible, and in most of the known cases in Canada, it was impossible. Indeed, as the hon. member for Louis-Hébert said a while ago, when she made an inquiry among prison guards, asking them about their opinion, they said: If capital punishment is abolished, we quit right away. And it is true.

Recently, I took part in a hot line broadcast in Vancouver, from my hometown in Rouyn, for an hour and a half, during the broadcast of Mr. Pat Burns, whom many have known when he was in Montreal. And among the people who called me, there was not a single abolitionist.

Recently, during the program "Choc du futur" on radio station CKAC in Montreal, there was a two-hour discussion on capital punishment and the amendments submitted, and the abolition of capital punishment was firmly opposed.

I sent a questionnaire to thousands of citizens in the province of Quebec. All, without exception, were for maintaining capital punishment, but not as it was 15 or 20 years ago, when risks were taken and innocent people executed, but for capital punishment when there is infallible proof without the shadow of a doubt. If there is some doubt, then let the prisoner benefit from it. But if there is not the shadow of a doubt, Mr. Speaker, the population of Canada

[Mr. Caouette (Témiscamingue).]

is not for abolishing capital punishment, and that is why I suggested to the right hon. Prime Minister (Mr. Trudeau) not to take my word but to hold a referendum across Canada and ask the people what they want. The Prime Minister answered that hon. members had to take their responsibilities because they are elected to represent the people. We have not been elected to abolish capital punishment, however. This is not true.

The hon. member for Louis-Hébert said earlier that hon. members who are at her far right—we are at her far right too but to the left of the chair—are in favour of the abolition of capital punishment. Yet, at the same time, they are in favour of abortion. In fact, in the name of society, of humanism, these people claim that we should not take the life of the murderer. And if a mother which has been pregnant for two, three or four months decided to abort, this would be justifiable, according to the members of the New Democratic Party. Then they will tell us that they thought about it. This is a strange way of reasoning.

I defy any hon. member of the New Democratic Party to make a random inquiry in his own riding on the timeliness of abolishing capital punishment and he will see that people are not in favour of it. This is why I am asking for a referendum. In fact we receive letters from people from all parts of the country who are opposed to the abolition of capital punishment. We receive a great number of letters from everywhere, even from former justice ministers. The hon. member for Saint-Hyacinthe (Mr. Wagner), for instance, adopted a definite position against the abolition of capital punishment. Yes, we are in favour of improving law. The law must be changed not only to protect prison guards. I want my wife and my children to be protected and I want hon. members to be protected too.

If an hon. member is attacked or killed by a murderer, there is no capital punishment whereas this punishment would be given for the murder of a prison guard—I feel much sympathy for them because they are human beings like others, neither superior, nor inferior. I am for protecting these people, but I want the whole society to be protected in the same way and no treatment of favour for a few people. A law applicable to the whole Canadian people would be necessary and I am convinced that when the murderers see the sword of Damocles or the rope above their heads, they will be a little more hindered in their movements.

Mr. Speaker, we will have a chance to get back to this amendment. In fact, there are two amendments before the House and we will have the opportunity of getting back to this bill on third reading, just as we had today the opportunity of doing so in order to discuss this question again which should have been deferred till fall so that members of Parliament might go on vacation just like anyone else. But they preferred to introduce this bill at this time. We shall discuss and struggle with the best of our energy in order that this bill does not come up for third reading. As far as the amendments are concerned, we shall certainly support them because they already represent an improvement over the existing legislation which provides that only the murderer of a prison guard may be sentenced to capital punishment by a court, and this is not enough.

I repeat that every human being is entitled to live in security, has the right to feel free in a free country, and

the criminals who commit murders are still responsible for their actions. And if there are people who are afraid to talk about it, I am not.

● (1540)

And earlier, the hon. member for Louis-Hébert (Mrs. Morin) spoke of the Laporte case. Now, to try to cover up, I think, the murder of Pierre Laporte, they are inventing things. They are trying to prove that there was collusion between Mr. Laporte and the Montreal underworld. Mr. Speaker, these are under-hand procedures and they are unworthy of human beings; and if there is proof of these things, let them produce it, but if not, they should shut up. There is nothing else to be done. However, these are unfortunate things that are happening, and Mr. Laporte is not here to defend himself. Everyone knows that.

His murder in 1970 was a sordid affair, and his murderers are now trying to pass themselves off as perfectly respectable people, as heroes. Mr. Speaker, when you are not afraid of what you have done, you do not have to hide in a rat hole. You do not have to run away if you are not afraid, if you have no reason to reproach yourself. You can face the music, or accusations, and prove that you were not there, that you were not responsible.

The murder of Pierre Laporte is a sordid murder, as well as the murder of police officers in Ville-Saint-Laurent by people dressed up as Santa Claus. It was sordid. Young girls of Cap-de-la-Madeleine or Trois-Rivières have been assaulted, raped and killed in cold blood by young hoodlums. Those crimes were also sordid and this Parliament is going to pass a legislation to save these people from the rope. Let us be logical, Mr. Speaker. If we really want to save society, this is the question I wish to ask publicly, on T.V., on the radio and here in this House: Are we to protect criminals from society or society from criminals? This is something we have to decide on.

As for a free vote in the House of Commons, I have my doubts as to the freedom which exists on some occasions. Some hon. members from the Montreal area whose constituents are strongly opposed to the abolition of capital punishment voted in favour of abolition. I warn these members that they will have to account for that in their own ridings, as I shall see to it personally. We are here to express the will of our constituents, failing which I am sure that some hon. members will lose their seats if they do not take the will of their constituents into account.

Those are the few words I had to say this afternoon; when the motion for third reading is introduced, I intend to mention examples chosen on a nation wide basis. We are going to support the amendment moved by the hon. member for Louis-Hébert, in order to make some small improvements in the existing legislation. We want more improvements, more strictness and more categorical rulings as far as the law is concerned, as far as order, justice and safety for every human being in Canada are concerned.

[*English*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I feel obliged to speak briefly against this amendment. I propose to vote against it. This will come as no surprise to those who know the firm convictions I have expressed from time to time, both in this House and elsewhere, against capital punishment and in favour of its total abolition. I do not believe it has a useful place in a civilized jurisprudence. I do not believe it works; I do not believe it deters.

The amendment has the effect of extending capital punishment even beyond the provisions of the bill, which I will support. The effect of the amendment is to extend the penalty of capital punishment to cases where death results from rape. I do not wish to be considered as making light of the horror of this offence. Indeed, I think every decent person regards the crime of rape with horror and repulsion. The very fact that it is such an emotional matter makes it necessary for us to pause and inquire whether we are improving the situation in any way by imposing capital punishment. I think the facts show the reverse.

Some members of this House are aware that up until 1955 the crime of rape was punishable by death, and at that time capital punishment was abolished. In fact, no person in Canada has been executed for that crime since confederation. I appreciate the present legislation does not attempt to apply capital punishment to all convinctions of rape, nevertheless it is a fact that that was the law for many years. For various reasons it was repulsive to the people of Canada, and even though it was part of the law of the country it in fact has not been applied since confederation. In 1955 it was abolished.

What was the result? The result was a clear demonstration that the existence of this punishment was not a deterrent in any way. Even though there was the threat that one might be executed for the commission of this offence, essentially an offence of passion and emotion, the fact is that the number of convictions decreased after the abolition of capital punishment in spite of the population increase. In 1954, the year before the abolition of capital punishment, the number of convictions for rape was 44. In 1955, the year of the repeal of the provision for capital punishment in the case of rape, the number of convictions was 46. In each year thereafter the number of convictions for rape decreased. The details can be found in a book issued by the former solicitor general entitled "Canada on Capital Punishment, New Material 1965-1972" at pages 68 and 69. I will not read the details; all I say is that what is said there clearly indicates the futility of imagining that capital punishment successfully deters the offence for which it is imposed.

There is another reason why we should be particularly cautious in this regard. Of all the crimes in the calendar, rape creates the greatest number of dubious cases, cases in which emotions can be aroused and, having been aroused, innocent people can possibly be convicted. Every member of this House knows that what sometimes appears to be rape is the result of provocation and, to be perfectly frank, the result of invitation, yet the so-called victim wishes to vindicate her reputation and charges are falsely laid. This is a very real danger. This is not the only case in which our system of justice, however excellent it may be, is not perfect. We should be wary of imposing the ultimate penalty, the deprivation of life, in cases of this nature.

In my view, and I know it may not be particularly popular, this amendment is a retrograde step, a mistaken move. It cannot and should not receive the support of this House.

Capital Punishment

Mr. Ian Arrol (York East): Mr. Speaker, capital punishment should certainly be extended to more cases than are now covered by Bill C-2, which provides for capital punishment in the case of murder of policeman and prison guards. When speaking of rape, the previous speaker said that often it is committed as a result of invitation rather than a person seizing an opportunity. I remind the hon. member that the purpose of the amendment is not to have capital punishment for rape, and rape alone; it is for rape plus murder.

Mr. Brewin: I made that clear.

Mr. Arrol: The extension to include capital punishment for kidnapping plus murder is one which all members could well support. One of the main reasons capital punishment is necessary is that the public must feel that the power it has given to the government will be exercised for its benefit. The main purpose of capital punishment was a progressive step rather than a regressive one.

● (1550)

In olden days, if murder was committed—this goes back a century or two in the United States—involving a member of one family against another, than a blood feud was on. If murder was committed in the wild days of the west in the United States, without proper law enforcement in the vicinity, the public took it upon itself to lynch the murderer. Lynching is bad, yet it relates to a strong feeling within everyone that justice must be done. If there is a strong community feeling that a wrong has been committed against society, the community concerned will have either lynching or vigilante gangs, or will entrust justice to a government which is out to protect society. When this is not done, when you have the death sentence repeatedly commuted and when, in many of the states of the United States, you have capital punishment repealed, then you have a feeling among the public that society is not being protected. The result is that in another way the public takes the law into its own hands. When this happens, the public regards it as a democratic and constitutional right for each individual to carry a gun.

When justice does not appear to be done, and capital punishment is abolished, you then have the feeling among the public that it is not being protected by the government. Then, as in many areas of the United States, you find people with a little armoury in their homes: they have guns upstairs, downstairs and in the living-room, in order to protect themselves.

We in Canada do not have this form of individual protection, but we might well think in terms of what might happen in the future with the extension of social problems, with the feelings of one segment of the community against another, and with the general feeling of being fed-up about world situations today. It may well be that Canada, in the absence of a firm law on capital punishment, will itself become a land where there exists cities such as those now condemned in the United States. Unless we make clear to the public that we intend to protect it, there will not be a feeling among the people that their protection and security has been taken into account.

Whenever I make a speech in favour of capital punishment, I receive letters from those who speak about the hangman's noose, asking me how I would like to take over the next hanging, and so on. I should like to say that although the purpose of the bill is not to change the method of punishment, unfortunately an amendment which would change it has been disallowed on good procedural grounds. But capital punishment need be nothing more than the removal of a person in the most humane way.

When I speak in favour of capital punishment, I do not necessarily speak against a certain segment of society or look upon those who might be murderers as different from myself. I think each and every one of us in his heart, and sometimes in his actions, could be capable of murder. I think there is not one of us who has not said at some time, "I could kill that guy." If the opportunity had been present at the time of that resolution, it might well be that many more of us would be guilty of murder.

If we look into the hearts of men, and the whole idea of good and evil, we will see that in fact evil largely develops in the context of a particular time, place and society. I can see that a youth of 16, 17 or 18 in the Germany of Hitler, a youth who looked at his country and saw it was going nowhere, and whenever it made some advances having to pay money to the other side in war reparations, might well respond to the call of Hitler. That youth might be looking for an affirmation, a focus or some way in which he could be positive. He might respond to Hitler's request to follow him, and become a person dedicated to violence. That same youth of 15, 16 or 17 years living 2,000 years ago, looking for affirmation, for a purpose or for some positive way in which to live, might have responded to the call of Christ going by the shores of Galilee who said, "Follow me." Each of us has the capacity for good and evil and each of us, given the circumstances, might have answered the call 2,000 years ago to follow an individual with some purpose, while each of us in Hitler's Germany might well have become a young Nazi or a young thug.

This is why many people feel it is society that is to blame and that it is society which creates particular circumstances. Many people feel it is a person's upbringing and his home that might be to blame, and that to understand is to forgive. Yet I would say that if I ever became guilty of murder, despite the fact that I might understand why I committed the crime, and that if I were to speak to some others they might feel they understood the circumstances, knew how this built up and why I committed murder, I would still hope that somewhere, objectively, I would see the need in society to exact the supreme penalty for the supreme crime.

We can go too far in allowing democracy to go wild and in believing that everybody is as good as anybody else. We can go too far in saying that even a cruel and vicious murderer who has had a lifetime of robbery, a lifetime of being a vicious animal, someone who has robbed and who has beaten people up, if only understood and given proper encouragement could be a proper individual. I take the stand, and I think it is a true one, that there are those, no matter how you might understand their actions, who are incorrigible. They are beyond the point of being saved. To treat them well is to be regarded as a sucker.

Unless we realize there is such a thing as evil in society, then we reach the peculiar situation in which we say that

if a person is not to blame for his actions which are evil, we cannot praise someone for actions which are good. This, of course, is utter nonsense. The only way in which society can function is by having law and order based on a recognition of that which is wrong.

● (1600)

If society becomes too permissive, we than have a situation in which society is blamed for everything and in which no one takes responsibility for himself. I do not want to see a situation in Canada where everyone would feel that because the government is not exercising its responsibility, everyone has a right to carry a gun. I do not want to see a situation in society in which the public will not feel justice is being done. I do not want to see a situation in society where democracy has gone wild and where anyone may feel able to do his own thing, yea even unto murder, and have the complete compassion of society. So I affirm that I am in favour of the amendment now being discussed.

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I wish to intervene very briefly in this debate. I supported the government bill during second reading and shall support it whether or not this amendment passes. However, I wish to indicate to this House that I support the amendment presented by the hon. member for Louis-Hébert (Mrs. Morin).

Although probably in most cases the death penalty does not act as a deterrent, I am convinced there is a chance in some cases of kidnapping and perhaps in some cases of rape followed by murder that the existence of the death penalty would act as a deterrent. I do not think this very often is the case. Most of these crimes are committed by people who are not deterred by any criminal penalty. It seems to me, however, that we must look at another factor. I refer to the attitude of the general public toward law enforcement and the application of justice.

It is characteristic of this generation that more and more people tend to believe that our criminal justice system is an unfair system. I do not think this is correct. Our system today is more fair than ever before, but some aspects of it are lacking in the eyes of the general public. There are also some aspects which I believe are sorely in need of correction. The area which disturbs me most in respect of our present criminal system is the inequitable treatment accorded to the casual criminal and to the member of organized crime. It seems to me we must face up to the fact that in a modern society organized criminals are a different breed and should be treated under a different set of laws. Until we achieve this we will not have the kind of public respect we wish for the application of justice.

It is a fact that members of organized crime, rich persons or professional criminals who have resources behind them, can afford the kind of legal expertise which will enable them in almost every case to escape conviction as a result of a murder charge. The poor person has never had that chance in the past. Even with the much improved system of legal aid there is still, at least in my mind, a possibility that a person who does not have adequate financial resources conceivably could be convicted of a murder which he did not commit, because of inadequacy of his access to legal expertise.

It is really more on this basis than on any other that I consistently have supported the bill that was brought in in 1967 establishing a five-year trial period of abolition in all but two areas of murder. I also supported the present bill, and will support it regardless of what happens in respect of this amendment. But I am convinced that this House should examine its conscience with regard to the amendment proposed by the hon. member for Louis-Hébert.

Perhaps in one of three instances which come to my mind, the assassination of Mr. Laporte, the kidnapping of a young woman in my constituency last summer and her murder about 15 hours later, and the situation which occurred in Hull in which a boy was kidnapped, ransom was asked for and a day or so later the bludgeoned body of the boy was discovered, the purpose of the murder was to cover up or safeguard the identity of the person who had committed the first crime of kidnapping. In the case of both the Hull boy and the girl who had been kidnapped, I realize arguments could be made with equal force that the punishment would or would not have acted as a deterrent. I doubt very much whether either side of that argument will ever be proven conclusively.

I do not know whether my report is exact, but I understand a study was undertaken recently, within the last year or two, by an association somehow related to the office of the Solicitor General and that the result of this study showed that five out of every six persons who had been convicted of murder since 1967 did not even realize that capital punishment for all but two crimes had been abolished in 1967. That kind of conclusion does not really surprise me, but it does not dissuade me from the logical argument which I believe has been made by the hon. member for Louis-Hébert in respect of her amendment. I submit that along with this legislation, or soon after it is passed, we will have to consider changes in the approach to organized criminal activity. I think we will have to re-examine the whole way in which we approach criminal law and its application, and we will have to do it if we want to maintain the confidence of the public in our judicial system.

● (1610)

We will have to decide to split up our criminal law and have two categories, as I said earlier, one for the occasional criminal who when he is caught is usually so sorry about what he has done that he is prepared to plead guilty, often without the advice of lawyers—this poor guy ends up getting years, sometimes decades, in prison—and the real criminals, those who devote their lifetime to criminal activities, those who kill or rob for hire, those who can afford the very best legal advice and are able to get off with a minimum sentence. If they end up in jail, because of the expert advice they receive from their counsel they behave like the most model prisoner and are eligible for parole at the earliest possible date, because parole is largely granted on the basis of the reported behaviour of the prisoner while in prison and on the opinion of parole officers. When they get out, if they do not immediately return to criminal activities they form a sort of backdrop of assistance to organized crime.

We must think in terms of dividing our Criminal Code into categories for organized and non-organized crime. Also, in the re-examination of our parole system I urge the Solicitor General (Mr. Allmand) to give every consideration to the problem which I have outlined. What do you do with the organized criminal who happens to be caught and convicted in spite of all the expertise which his backers can amass? This fellow then behaves like a model prisoner and is eligible for parole quickly, even though he is not reformed. What do you do in such instances?

I would argue that with the officials one must devise a parole system that will take into consideration the kind of crime in which a person was involved prior to his conviction. If it was organized crime, there must be different parole procedures. I would also submit that in the case of individuals who show no indication of remorse for what they have done, and no wish to reform, there should not be automatic eligibility for parole. I am 100 per cent in favour of an even more liberal parole system. We should be putting more people on parole. But there is a real deficiency in the way in which we are examining convicts who become eligible for parole. I do not think we are being liberal enough with many of them; yet a large number who become eligible, in my view should never become eligible because of the nature of the crime and because they were part of organized crime or a criminal association prior to their committing the offence, and they will be looked after by this association once they get out, in one way or another—in some cases in a rather unpleasant way, but in most cases financially and otherwise.

Mr. Allmand: There are special rules now.

Mr. Watson: I would hope that these special rules would be further refined to take care of the types of criminal activity which concern me and which I think are engendering among the public at large an unreasonable lack of confidence in our judicial system. I for one believe that our judicial system is immeasurably better now than it was 50 years ago, and vastly superior to what it was 50 years before that. But having said that, I think there is no reason for us to sit back and accept that what we have is good and will be acceptable in the years to come. There is much room for improvement, and that is the area where I believe improvement can take place more effectively and in a way which will increase public confidence in our system.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in rising to speak on this amendment I would like first of all to commend most sincerely the hon. member for Louis-Hébert (Mrs. Morin) for being so courageous as to introduce this amendment for our consideration today. I believe her action demonstrates that although, presumably, some discipline has been used within the party ranks of the government to avoid such amendments, there are some hon. members who felt sufficiently strongly on this issue, including the hon. member for Louis-Hébert, that they were willing to suggest that this amendment be added to the amendments which were agreed to with respect to Bill C-2 when it was at the committee stage.

Having said that, I would like to add that while I hope to keep my remarks with respect to the amendment reasonably brief, I also hope to have an opportunity as this debate ensues to reiterate some arguments that I feel justify having the death penalty retained in Canada for at least some criminal acts. I would be the first to admit there is almost an inevitable argument raised by members in the House, and sometimes by the public, that it is necessary that this matter be decided by a free vote. It is stated that in a sense it is a matter of conscience whether or not the death penalty should be retained.

I find it very odd on the part of the government—having followed to some extent the actions of the Solicitor General (Mr. Allmand) with respect to this bill when it was referred to committee—to find now that the government still insists that there be a free vote on this matter in the House. Surely if the government, as represented by the Solicitor General, believe in abolition—as I understand the Solicitor General's representations to the standing committee, he feels there should be complete abolition—why does the government not introduce an abolitionist bill, get the party whips working and be done with it? Surely there is no question of conscience if you are suggesting that there should be no death penalty. Surely if there is no question—incidentally, I understand that the vast majority of the Liberal caucus support such an abolitionist measure—that it has nothing to do with conscience, why should the Trudeau government worry about the matter? Yet we find that the government does not have the courage to introduce a complete abolitionist measure into the House.

● (1620)

I can only assume that it is, therefore, not so much a matter of conscience that is disturbing the government as a matter of votes. It knows on this particular issue that it is out of step with the people of Canada, namely, the electors. For reasons that I am earnestly trying to discern, it intends, by devious means or otherwise, to have us accept a postponement of the death penalty provisions for another five years.

Mr. Speaker, I believe it is unfortunate that a government is so indecisive in this respect that it does not have the courage of its convictions to bring in a bill which specifically does what the government intends to do anyway, regardless of what we do in this House today, this week, or at any time with respect to the death penalty. They are abolitionists, yet they will not admit it. This is not being fair to the people of Canada. If its members are in truth part of an abolitionist government, let them stand up and be counted, and explain during the next election to the electors why they ignored the popular demand and refused to allow the death penalty to stay in our criminal procedures.

Mr. MacGuigan: They explained that during the last election.

Mr. Stevens: I am very pleased that the hon. member has made that interjection, because obviously something went wrong for them in the last election. I would suggest to him that one of the things that went wrong for the government is that people feel throughout the country that law and order has deteriorated under the Trudeau government.

Mr. Pelletier (Hochelaga): We need a Nixon.

Mr. Gilbert: Yes, we need Mr. Nixon.

Mr. Knowles (Winnipeg North Centre): Which Nixon?

Mr. Stevens: Isn't it odd that the government is so obsessed with the leader of another country that even during debate on this important issue it is that leader's name that is the first name to flash into their minds when any question comes up that ministers may feel in the slightest is a little embarrassing or damaging to their position on this issue. Let me reiterate what I was saying. The fact is that the government under the Prime Minister (Mr. Trudeau) lost support in the country partly due to the fact that it did not maintain a law and order type of government during the five years it was in power.

Mr. Speaker, my point is simply that it is wrong for any government to come into this House and pretend that somehow it is a retentionist government, slip a bill through, and then at committee stage go to the lengths that the Solicitor General did to attempt to amend that bill into an abolitionist bill. I believe his true intentions, the intentions of the Prime Minister and of the government were shown clearly through those attempted actions of the Solicitor General. That is why I feel every member of the House should commend the hon. member for Louis-Hébert for introducing the amendment that we are considering today—because, bear in mind, she has done so as a member of the party that is supporting a government that is really a 100 per cent abolitionist government. I believe it is important that we first refer to the two main aspects of the hon. member's amendment. She is suggesting that the crimes punishable by death be extended to include "a male person, where such person causes the death of a female person while committing or attempting to commit rape."

During an earlier speech by the hon. member for Broadview, a member of the NDP, in which he spoke on this amendment I was most startled—

Mr. Gilbert: On this amendment?

Mr. Stevens: Yes.

Mr. Gilbert: I did not speak on this amendment.

Mr. Stevens: Mr. Speaker, perhaps I may correct my mistake. I had the right party, but the wrong riding. I was referring to the hon. member for Greenwood (Mr. Brewin).

Mr. Gilbert: You probably have the wrong ideas too, but go ahead.

Mr. Stevens: During his speech on this amendment I was most startled to hear him comment that he felt that somehow the death penalty was not a deterrent. I was startled because, surely, the argument as to whether the death penalty is or is not a deterrent could be used with respect to any penalty, be it imprisonment or a fine. With equal weight you could argue that the fact that people are fined for speeding on the highway, or jailed for robbing banks is not a deterrent, so why have either penalty?

I would suggest it is wrong to feel that you can distinguish between a deterrent in one sense, as long as it is not taking a life in the form of capital punishment, but in the other sense it is a deterrent if one is penalized by a fine or imprisonment. But let me be a little more specific, because I find this question of whether there is a deterrent is really one of colouring. During our consideration of Bill C-132, which deals with foreign ownership takeovers in this country, at committee stage I was rather amused, to put it mildly, to hear NDP representatives on the committee propose two amendments with respect to infractions that might ensue under that bill if it is enacted. Both of those amendments were offered by the NDP because they said they would be a better deterrent against an offence being committed. In both cases their remedy was, granted, not capital punishment but the raising of the fine from $5,000 to $100,000, and in the second case raising the fine from $10,000 to $100,000 with possible imprisonment from six months to one year. In that case the representatives of the NDP had no hesitation in indicating that this penalty was a deterrent at which all people in business would shudder, if it was ever accepted. But they now suggest, as the hon. member for Greenwood has done today, that the ultimate deterrent—you can lose no more than your life—is not a deterrent.

Having thrown out that general observation concerning the point raised by the hon. member for Greenwood, I owe it to this House to refer to the specific figures on murder which were published by Statistics Canada in 1971. They show what has transpired with respect to the number of murders reported by the police to Statistics Canada, and homicidal deaths, on a per 100,000 of population basis. In 1954, murders in Canada reported to Statistics Canada were one per 100,000, and yet by 1971—I point out each year in the interim it is almost consistently up—the rate had reached 2.2 per 100,000. Under the column "Homicidal deaths," for the year 1954, the rate is shown at 1.2 per 100,000, yet for 1971 the rate was 2.4 per 100,000—an increase of exactly 100 per cent. Mr. Speaker, how can those who say that the death penalty is no deterrent justify their stand when the facts themselves show that the death rate in this country, as far as homicidal death or murder is concerned, has gone up?

• (1630)

The second thing that alarmed me, if it did not dismay me, was the fact that the hon. member for Greenwood said words to the effect that the amendment before us which proposes the death penalty in cases of rape where a death has occurred should not be taken too seriously. Often, he suggested, the girl provokes or even invites the man in this situation. He seemed to pass this off rather lightly, and suggested that we must bear in mind that in many cases the poor, unfortunate rape victim wants to vindicate herself. How, after her death, she is able to do this I am at a loss to know. How can the person who is raped and dead, as she would be before this amendment would have effect, vindicate herself? Be that as it may, I should like to refer to the figures because it is so convenient to be emotional but ignore the facts.

If we look at the Statistics Canada "Murder Statistics, 1961-1970" publication we find they have a separate heading under "Murder incidents and victims". One of these headings is "Sexual assault and rape". We find that between 1961 and 1970 there were 86 victims of rape involving females. Of that number—and I believe this is significant—21 were young girls under the age of 15 years;

that is, approximately one-quarter of the victims of this type of rape were girls of 15 years or less. Sixteen were in the 16 to 19 age bracket, and 19 were in the 20 to 29 age bracket.

I know it was unintentional on the part of the hon. member for Greenwood, Mr. Speaker, but I think it is unfortunate that he introduced the comment that he did in this debate. We are dealing with a situation where almost half of the rapes that might have been punishable by death, had these provisions before us today been in effect, involved young girls who should never be victims, under any circumstances, of this type of crime.

I think it is also important, when dealing with the question of the increase of crime in our country, and consequently with the lack of law and order that many people sense, to look at the figures with respect to rape to determine whether crime has actually been rising. Has the number of murder incidents increased? Here, again, I should like to refer to the Statistics Canada figures which show that in 1970, 21 incidents of sexual assault and rape involving murder were committed, compared to three such incidents in 1961. I would also point out that in the past five years the murder incidents involving rape as far as females are concerned totalled 60 victims, compared to 26 victims in the previous five years. If nothing else, these figures certainly cannot be taken by those who intend to vote against this amendment as supporting their contention that crimes of this nature are on the downswing.

If I may, I should now like to touch on the second aspect of the proposed amendment of the hon. member for Louis-Hébert. This deals with crimes attempted or committed under section 247 of the Criminal Code. Here again she suggests that the death penalty should apply if death ensues from such a person being abandoned during a kidnapping, or as a result of the kidnapping. I feel this aspect of the amendment should be supported because, surely, unlike the situation referred to by the hon. member for Greenwood concerning rape, there can be no suggestion of the absence of premeditation in the case of kidnapping. Surely few crimes which can result in death and murder are as clearly premeditated as kidnapping.

I agree that skyjacking that has been capturing public attention for several days in the Middle East is not kidnapping in the normal sense in which that type of crime is generally understood. I would suggest however, that in a way skyjacking is the modern, 1970s type of kidnapping. Surely nobody in this House feels that the law should not be as strict as possible against those who have held the lives—in that case, of over 100 people—at bay for whatever reasons they feel are justified.

I am making the point, Mr. Speaker, that there is no more clear crime which could result in murder and which has a premeditated aspect to it than kidnapping. For that reason I again commend the hon. member for proposing her amendment to this House, and I urge hon. members to vote for it when it comes to a vote.

Mr. Deputy Speaker: Order, please. I regret, indeed, to interrupt the hon. member, but the time allotted to him has expired. He could, however, continue with the unanimous consent of the House.

Some hon. Members: Continue.

[Mr. Stevens.]

Some hon Members: No.

Mr. Deputy Speaker: There is not unanimous consent. Is the House ready for the question? The hon. member for Broadview (Mr. Gilbert).

Mr. John Gilbert (Broadview): Mr. Speaker, it was not my intention to participate in this debate. I spoke at length on second reading of the bill and participated in the debate at committee stage, and thought I had set my views forth so that it would not be necessary to speak again. The hon. member for Louis-Hébert (Mrs. Morin) prompted me to speak, but more especially what prompted me were the remarks of the hon. member for York East (Mr. Arrol), the hon. member for Scarborough East (Mr. Stackhouse), and the hon. member for York-Simcoe (Mr. Stevens).

I fully appreciate why a woman would be concerned with the crimes of rape and kidnapping. I think they have a certain hangup with regard to those particular crimes. I believe there is an emotional involvment and women feel they may be the victim at some time, and this seems to blur their thinking with regard to the general principle of capital punishment. I am sure, even though the hon. member for Louis-Hébert has brought forward her amendment in all sincerity, that she will agree that many women have such an emotional interest in rape and kidnapping that they find it difficult to be rational about the problem.

● (1640)

Let me mention the argument of the hon. member for Scarborough East. He is a biblical scholar who represents the Anglican Church and lectures at university. He is well aware of the distinction between the Old Testament and the New Testament. In the Old Testament there are words to the effect, "Vengeance is mine, saith the Lord". The hon. member for Scarborough East made a slight change: his version would be, "Vengeance is mine, saith the hon. member for Scarborough East." He tried to bring feelings of rage, passion and retribution to bear on the subject.

I would have thought that the biblical scholar from Scarborough East would prefer to move from the Old Testament to the New Testament and adopt some of the teachings of the carpenter from Galilee. He taught that we should show forgiveness, understanding, compassion and love. But the hon. member did not dwell on those teachings. Does he not appreciate history, which shows mankind as moving from barbarism to enlightenment? He does not appreciate that in the past there was a whole catalogue of crimes for which capital punishment was the penalty. In our forward movement we have reduced the number of crimes for which a man can be put to death in Canada to two, the murder of a prison guard and of a policeman on duty.

An hon. Member: We did that in the past.

Mr. Gilbert: Yes, we did that in the past. That is what we have done in Canada. What has been done in the United States? I ask the hon. member for York-Simcoe, the hon. member for Scarborough East, and the hon. member for York East to look at what has been done in the United States. What has that country done with regard to capital punishment? It wants to see it abolished. And on what basis? On the basis that it constitutes cruel, inhuman

and unjust treatment. Within the last six months the Supreme Court of the United States, in pronouncing on this problem, has made this finding. I think that Canada ought to follow the enlightened direction given by the Supreme Court of the United States.

Mr. Whicher: That is the only country following that pronouncement.

Mr. Gilbert: I ask the hon. member for Bruce (Mr. Whicher) to look at what has been done in England. A few years ago that country passed a law very similar to the one we are attempting to pass today. After an experiment lasting ten years, I believe, a motion was moved in England for abolishing completely capital punishment, and that motion passed with a great majority supporting it.

An hon. Member: Not so.

Mr. Gilbert: Mr. Speaker, with respect, it is so. Our friends in the United States and in England have pronounced in an enlightened way on capital punishment. On the basis of their experience and reasoning that is the conclusion they have come to. But we in Canada, especially some of my friends in the Conservative Party and particularly the biblical scholar from Scarborough East, want to retain capital punishment on the basis of fear, prejudice and retribution. That is not worthy of them; it is not worthy of Canadians. I ask the hon. member for Scarborough East to find out what the Anglican Church has pronounced with regard to capital punishment. That church has said that capital punishment should be abolished totally, and it is supported by the major churches in the country. Yet the hon. member for Scarborough East wants to impose this terrible punishment, this terrible passion, this terrible retribution.

The hon. member for York East made the point that the Canadian public will not feel protected if we do not accept this amendment regarding rape and kidnapping ensuing in death. He suggests we will be doing a disservice to Canadians if we do not give them full protection. Mr. Speaker, one of the things I am proud to say about Canada is that Canadians feel secure within their society. There is no evidence to show that they do not feel protected. The people of those states of the United States, and of England, where total abolition has been brought in are protected. The policeman in the United Kingdom does not even carry a gun.

Directing my attention to the question of rape and kidnapping, I am sure that most people who commit such heinous crimes are mentally or physically ill. Any jury trying such a case would find, in most instances, that the accused person is mentally or physically ill. Yet out of our feelings of vengeance we want to impose the death penalty on these people. I do not think it is worthy of us to do so, more especially in view of the enlightened methods we have for treating these people. I would think we should want to see establlished a system of penology with concepts of rehabilitation and reformation rather than what is suggested by the amendment. Such a system would be based on reformation rather than retribution. People who are ill and who have committed such crimes should be subjected to the type of treatment that is necessary.

I am sure the hon. member for Louis-Hébert would agree that the amendment will not act as a deterrent. Of course, there have been many arguments for and against with regard to deterrence and it is safe to say, I think, that in the final analysis capital punishment acts neither one way nor the other. It really boils down to the particular person concerned. You will find in most cases involving rape and kidnapping that the person committing the crime is both mentally and physically ill.

The Parliamentary Secretary to the Minister of State for Urban Affairs (Mr. Watson) talked about the parole system and suggested we have reached the stage where there should be a difference in the treatment of organized criminals and persons who are first offenders. The distinction he tried to draw, I suggest, is an impossible one. I suggest that our parole system should move in the direction of giving some hope, some chance to the parolee. We commit human error in some cases. What has happened in the past year or so has underlined some of the errors we have made. But this is life, Mr. Speaker. This is the purpose of taking a chance with regard to people. We have to exercise a certain faith and trust. It is impossible to categorize people with regard to the offences they have committed.

• (1650)

I was rather amused by the hon. member for York-Simcoe who said the members of the Liberal Party were almost total abolitionists. I certainly wish they were. We would not have some of the difficulties we are experiencing today. The hon. member suggested the Solicitor General (Mr. Allmand) made a grave error with regard to the amendments he submitted to the committee. I would like to tell the hon. member that when the amendments are submitted to the Standing Committee on Justice and Legal Affairs, the spokesman for the New Democratic Party fully supported them. The spokesman for the Progressive Conservative Party also supported them.

Mr. Stevens: He was not our spokesman.

Mr. Gilbert: The usual spokesman.

Mr. Lawrence: He said he was speaking for himself.

Mr. Gilbert: I will accept that, but he is the usual spokesman. The hon. member for Fundy-Royal (Mr. Fairweather) spoke personally in favour of the amendments.

Mr. Lawrence: He is not the spokesman of the Conservatives.

Mr. Gilbert: There seems to be some debate as to who is the Conservative spokesman. The spokesman was the hon. member for Fundy-Royal. To put the total blame on the Solicitor General is most unfair, and certainly is not true. He had a great deal of support within the committee with regard to the amendments he proposed. Unfortunately, and we all accepted the verdict, they did not carry. However, the hon. member for York-Simcoe should not place the total blame on the Solicitor General.

I notice the hon. member for Ottawa Centre (Mr. Poulin) is in the chamber. He is a former Crown counsel in the city of Ottawa. He has probably handled many rape

and kidnapping cases. I would like to hear his views on this matter. I have suggested that many persons convicted of rape or kidnapping are mentally or physically ill. This has been my experience. Your Honour has experience in criminal law and may have drawn the same conclusion. I would like to hear a former Crown counsel speak with regard to this particular amendment and give us the benefit of his experience on the question of rape and kidnapping. He knows that in many rape cases there is a great deal of invitation and provocation. These are surrounding circumstances. But in most cases the persons who commit these offences have disordered minds. I would like to hear the views of the hon. member for Ottawa Centre.

The hon. member for York East spoke of the good and evil concept in society. I suppose most of us are an amalgamation of both good and evil. Surely the pursuit of man should be the attainment of good. The principles we follow should be toward attaining good. Perhaps this is the reason why the members of the New Democratic Party are so progressive with regard to this subject. We want the type of society which is based on man's goodness, enlightenment and achievement toward goodness. I cannot see any way of controlling evil by wreaking vengeance on a fellow human being, swelling within the human mind and soul hatred, passion and prejudice of one man toward another. I cannot picture that type of society.

I notice there are only two minutes left before private members' hour. I will summarize briefly what I feel with regard to this amendment. I am sure it was brought forward with good intentions, but the mover has the mistaken conception that it will in some way act as a deterrent. I respectfully submit that the whole basis of the amendment is fear. You cannot develop with any success a society which is based on fear. I ask the mover of this amendment to look at the experience in the United States and England to see whether their thinking and experience is the type we should have in this country. In the final analysis, what we want is a better Canada and a protected Canada. This amendment will not produce that result.

Mr. Stevens: Mr. Speaker, will the hon. member entertain a question?

Mr. Gilbert: Certainly.

Mr. Stevens: Does the hon. member disagree that the bill before us today, which has been sponsored by the Solicitor General, is an entirely different measure from the bill referred to at Westminster, which was simply a Conservative backbencher's bill to attempt to restore capital punishment and was handled simply as a private member's bill?

Mr. Gilbert: Mr. Speaker, in all honesty I am not familiar with the content of the motion that was dealt with at Westminster. I am familiar with the previous bill that was the law of England. The law of England said that capital pusnishment was abolished. The motion by the backbencher was to reinstate capital punishment. That motion was defeated.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Grenville-Carleton (Mr. Baker)—National Capital Commission—Alleged notification to municipalities that dumping on its lands will be prohibited in 1974; the hon. member for Meadow Lake (Mr. Nesdoly)—Housing—Alleged poor construction of Bal-Mon Homes, Meadow Lake, Saskatchewan—Request for investigation; the hon. member for Rocky Mountain (Mr. Clark)—Information Canada—Suggested disbandment—Government position.

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

● (1700)

PRIVATE MEMBERS' MOTIONS

[*English*]

UNEMPLOYMENT INSURANCE

SUGGESTION THAT CANADIAN CONTRIBUTORS RECEIVE BENEFITS WHEN UNEMPLOYED OUTSIDE OF CANADA

Mr. Bill Kempling (Halton-Wentworth) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Unemployment Insurance Act to remove the inequity whereby a contributor under the act, who is not resident in Canada, cannot receive benefits upon becoming unemployed outside of Canada and, in fact, receives no benefit from those contributions upon returning to Canada.

He said: Mr. Speaker, my notice of motion asks the government to remove the inequity whereby a contributor under the Unemployment Insurance Act, who is not resident in Canada, cannot receive benefits upon becoming unemployed outside Canada and, in fact, receives no benefit from those contributions upon returning to Canada.

It seems to me that by regulation the government should simply not deduct unemployment insurance contributions from persons outside Canada who cannot, under the act, receive benefits. As far as I am concerned, this is a very straightforward matter, but I am sure from conversations I have had with some of my colleagues opposite they will confuse the matter and it will not be as simple as I see it.

This whole matter came to my attention early this year, in January in fact, when a constituent normally residing in my riding of Halton-Wentworth received orders to proceed overseas with our Canadian armed forces to Europe. As my constituent is a member of the armed forces and his wife moved with him to Europe, upon receiving his notice to move, my constituent's wife applied for unemployment insurance on the assumption that having contributed to the UIC for 12 years she would be entitled to receive benefits for the prescribed period of weeks. She then

found she must be resident in Canada in order to collect unemployment insurance.

It is not uncommon for persons, having contributed to the unemployment insurance fund for a number of years, to feel entitled to collect at least their contributions or a specific amount of money. We do this for people who upon reaching age 65 apply for a pension. They are directed to the UIC by Manpower and told they can collect three weeks' benefits. In the case of my constituents, who had contributed for a period of 12 years, she felt she was entitled to collect some of her contribution. She wrote to the UIC and to the Prime Minister (Mr. Trudeau) but received little satisfaction. For that reason I put the notice of motion on the order paper. I think it would be appropriate for me to read into the record the letter my constituent wrote the Prime Minister on December 14, 1972. She said, if I may be allowed to quote:

Dear Sir:

Being so far away from home, we Canadians overseas seem to lose all contacts with our government and its policies. The following incident with which I have been faced has made me wonder what "A Just Society" really is. Our government has so often used this term over the last few years and I must say that I truly believed they intended to implement this policy. However, the situation in which I was personally involved has raised doubts in my mind.

My husband is a member of the Canadian armed forces and last July was transferred to CFB Europe. Before our departure for Europe, I inquired through the Unemployment Insurance Commission in Quebec City as to my entitlement to unemployment insurance since I had to resign from my position due to my husband's transfer. I had, up to this date, worked for 12 years in Canada and had therefore been paying unemployment insurance for all those years without, at any time, collecting any unemployment insurance. I was advised that because I would not be a resident of Canada, I was not entitled to any benefits. I found this quite unfair since the government of Canada was my husband's employer and the government was the party sending my husband to Europe. He was not coming to Europe for a trip or holiday but to work here as a Canadian, as a member of the Canadian armed forces on a Canadian base. But I was formally told that I had no right to any benefits. Who is really entitled to Canadian benefits? I have known many wives and mothers back in Canada who went to work for a period of time and then resigned purposely because, as they would quote, "It pays a lot more to stay home and collect unemployment insurance than to work all the time." Is this what you call "just"? After 12 years of continuous work and paying unemployment insurance, I am refused a benefit and yet a person who goes to work for one year with the idea that after this period she will resign and stay home collecting unemployment insurance.

However, I left Canada and although I was not in agreement with this policy, there was nothing I could do about it. After I arrived here, I went to work at CFB Europe for a short period but had to resign because of my child. When I received my pay, I noticed that Canadian income tax and pension were deducted from my pay. This seemed strange to me after being told in Canada that I was not considered to be a resident of Canada, but I was truly shocked to notice that unemployment insurance dues were indeed deducted from my pay. The government was not willing to consider me for benefits here but they were most willing to enrich their treasury with all those deductions.

She went on to make a few other remarks which I do not think would be appropriate to read into the record. I read this letter with a great deal of interest. My only purpose in putting this matter on the order paper was to try to clarify what I consider to be an injustice. I have checked the matter with the Unemployment Insurance Commission and find that indeed you receive no benefits for your contributions while outside Canada; but on return to Canada, after waiting for a period of eight weeks you can collect benefits. This in no way relates to the fact that you were employed and contributing outside the country.

I believe it would be unreasonable to expect the government to pay unemployment insurance benefits to people employed outside Canada, as I do not think you could control this situation. I am prepared to accept that fact. But surely it is just as unreasonable and unjust to ask a person employed outside Canada to contribute to the unemployment insurance fund with the full knowledge that they cannot collect benefits because they are not resident in Canada. The clear solution seems to me to be just to stop deducting UIC premiums from persons employed outside Canada who cannot collect benefits because they are not resident in Canada.

That is about the sum and substance of what I have to say on the subject. This is something the government could rectify by regulation. I do not think it is political in any way, shape or form, but I think it is an injustice. I do not suggest it was done deliberately, but was perhaps an oversight on the part of the government and the commission. I cannot help but feel my constituent has a just case. She has every right to be heard, and when she could not get satisfaction from other avenues of approach she wrote me. I have taken this opportunity to bring this matter to the attention of the Parliament of Canada in the hope that the department or the parliamentary secretary will convey this injustice to the minister, an injustice which I believe should be rectified.

Mr. Peter Stollery (Spadina): Mr. Speaker, I should first like to comment on the case the hon. member for Halton-Wentworth (Mr. Kempling) has brought to our attention. I should like to remind him that the unemployment insurance scheme is an insurance scheme. If you owned an automobile and paid insurance on it for ten years, and at the end of that period sold it and swore that you would never again own an automobile, the insurance company would not give you back your insurance money.

The motion before the House suggests that the government should consider the advisability of amending the Unemployment Insurance Act to remove the inequity whereby a contributor, who is not resident in Canada, cannot receive benefits upon becoming unemployed outside the country, and in fact receives no benefit from these contributions upon returning to Canada.

I should like to point out various aspects of the motion. I think the hon. member for Halton-Wentworth in his comments said that the person who comes back to Canada can indeed collect some insurance, but I should like to point out and emphasize that it is clear that the premise of the motion is partly unfounded in another aspect and it is really quite untrue, as the hon. member himself has pointed out. I wish to deal first with the inaccuracy. The motion states that an unemployed person who has become unemployed outside Canada cannot receive benefits from unemployment insurance even upon returning to this country. This part of his motion is inaccurate.

Mr. Kempling: Do not play with words.

● (1710)

Mr. Stollery: In fact, the contributor once he comes back to Canada, is perfectly within his right to file a claim.

Mr. Kempling: After eight weeks. You did not listen to what I said.

Mr. Stollery: I am reading the part of the motion which says that he cannot receive benefits from his contributions upon returning to Canada. I am pointing out to the hon. member that as I understand it, a person who comes back to Canada after a period abroad can in fact claim unemployment insurance.

Mr. Kempling: No. Check with the Unemployment Insurance Commission.;

Mr. Stollery: Persons who return to Canada upon becoming unemployed, or who become unemployed upon their return to Canada, are covered by the contributions made when outside the country. I must say I fail to understand the point in respect of the woman who went overseas and who seemed to be concerned because she did not receive a refund of her unemployment insurance payment.

Mr. Kempling: That is not it at all.

Mr. Stollery: A major reason for establishing universal coverage in the act was to ensure that all persons working in insurable employment, whether inside or outside Canada, would benefit from the program. If the hon. member would do his research, I think that is what he would find. But I should like to explain another important area where contributors under the act will receive benefit outside Canada. That is in relation to the reciprocal arrangements which Canada has with the United States. I would direct the attention of the hon. member to those arrangements. Section 12 of the Unemployment Insurance Act grants authority to the commission to establish agreements with other countries. Part of this section reads as follows:

> With the approval of the governor in council, the commission may, notwithstanding any other provision of this act, enter into agreements with the governments of other countries to establish reciprocal arrangements on matters relating to unemployment insurance.

Sections 34 and 37 of the Unemployment Insurance Act stipulate that recipients of unemployment insurance benefits who do not reside in Canada are not entitled to those benefits which are determined by national and regional unemployment rates. They are entitled specifically to benefits accrued by virtue of the length of their labour force attachment. As the hon. member knows, Canada is divided into areas, and if those figures go to over 4 per cent the rate of unemployment insurance alters. It is very clearly pointed out that people who are subject to the reciprocal arrangements that Canada has, specifically with the United States, are entitled to benefits accruing by virtue of their labour force attachment. At the present time Canada has reciprocal arrangements with the United States in matters of unemployment insurance.

Mr. Kempling: What about Germany?

[Mr. Stollery.]

Mr. Stollery: The Canadian-American reciprocal agreement is an administrative arrangement whereby the American states, Puerto Rico, the District of Columbia, and Canada—I will get to Germany in a moment, if the hon. member will be patient—take each other's claims on interstate forms but payments to claimants are made by the liable state or country authority; that is, the place where the claimant acquired his unemployment insurance credits pays him his benefits under the terms of its act which governs unemployment insurance. The place where the claimant resides while claiming benefits ensures his availability for employment and may recommend his disqualification to the liable state if, in their opinion, the claimant is not meeting the provisions of the act which would determine his benefits. Benefits, then, are paid by the country where the credit was established, and not by the country in which the claimant is seeking employment. The volume of traffic between Canada and the United States is about equal—I think this refers specifically to what the hon. member was suggesting about Germany—and therefore the time and cost of administration is also about equal.

There is another circumstance in which a Canadian claimant in a foreign country is covered by the unemployment insurance scheme; that is, if he falls sick in a foreign country, the regulations state that his period of actual hospitalization in a foreign country is covered by the Canadian unemployment insurance program. I should like to deal for a moment with the coverage provisions of the present act and the relationship of those provisions to persons employed outside this country. The provisions of section 52 of the legislation are a carry-over of the old act and read as follows:

> The employment of a person outside Canada, other than a person employed on a ship or vessel as described in section 51, is included in insurable employment where that person:
>
> (a) normally resides in Canada,
>
> (b) is employed outside Canada or partly outside Canada by an employer who is a resident or has a place of business in Canada, and
>
> (c) would be employed in insurable employment if such employment were in Canada, and
>
> (d) is not employed in employment that is insurable under the laws of the country in which he is employed.

The impact of section 52 was greatly increased by the provision of the new act which, because of the universal nature of coverage, included members of the Canadian armed forces and the public service. I am sure we remember the protests of a few years ago when this universal aspect was being considered by, for example, people in the nursing profession who felt they should not have to pay unemployment insurance and who now, I think, are content to pay because, of course, if they become unemployed they are eligible.

● (1720)

When you consider the various alternatives relating to payments to Canadians abroad, there are a number of solutions which are possible that would continue the universal coverage of the program as well as allow us to pay benefits to those who are contributing under the act wherever they may be. The following are a few possibilities. First, we could enter into reciprocal agreements with all

countries—this, I think, is what the hon. member for Halton-Wentworth is suggesting—because surely reciprocity is the most important aspect. If we are to have an unemployment insurance scheme which becomes part of the West German scheme, we must have a reciprocal agreement. This, of course, would be true of all countries.

Another possibility would be that we could repeal section 45 of the act and make the benefit payable to residents of all countries who have sufficient Canadian credits to qualify, whether or not they are Canadian citizens. Another possibility would be for us to eliminate coverage for those persons identified in section 52, or we could provide for the payment of sickness and maternity benefits to persons living in foreign countries, provided they otherwise qualify.

Now I would like to say a few words about reciprocal arrangements, which are a little more complex than the hon. member would imply. For example, a reciprocal agreement with a foreign country could consist of several alternatives. The Unemployment Insurance Commission could pay benefits to persons who have established eligibility, according to the Unemployment Insurance Act, while employed in Canada and have gone to a foreign country with the intention of seeking employment in that country. The other country could pay unemployment insurance benefits to persons who established the right to benefits while employed in that country and then came to Canada, or Canada could pay benefits to persons who immigrate to Canada from a foreign country who are unable to find suitable employment on arrival and who have built up unemployment insurance credits in their country. Another possibility would be for the other country to pay benefits to persons who have obtained unemployment insurance credits in Canada, who went to the foreign country and were unable to find suitable employment upon arrival.

At the moment Canada does not entertain reciprocal arrangements with any other jurisdiction except the United States. To enter into such reciprocal agreements with foreign governments would have serious implications which, of course, we would want to consider. In fact, Canada has been approached by both the United Kingdom and Italy to enter into reciprocal arrangements with the Canadian Unemployment Insurance Commission. Essentially, the proposal of the United Kingdom advocated that both countries recognize contributions under the unemployment insurance plan of the other country for the purpose of rates and duration, and the country where the claimant was residing and unable to find employment would pay him unemployment insurance benefits. In the negotiations, the commission indicated that they were not prepared at that time to enter into a reciprocal agreement which would require the commission to recognize the United Kingdom contributions as a qualification for receiving benefits from the Canadian unemployment insurance plan. Part of the rationale for this position—I am sure the hon. member would agree with this—was that the traffic is mainly one way; most people come from the United Kingdom to Canada looking for work.

Mr. Kempling: Mr. Speaker, I wish to rise on a point of order.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member cannot raise a point of order unless he is seated in his own place.

Mr. Kempling: Mr. Speaker, when I was making the various points I was not referring to reciprocal arrangements with the United States, the United Kingdom or any other country. The simple point I made was that the government was deducting unemployment insurance from someone from whom it should not be deducted; that is all.

Mr. MacGuigan: Mr. Speaker, I also wish to rise on the point of order. The House is not considering the hon. member's words, although we listened to his words with great interest, but the motion which is before us; and the motion is not as limited as the speech was. Therefore I would argue that the comments which the hon. member for Spadina (Mr. Stollery) was making are very much in order.

The Acting Speaker (Mr. Laniel): The hon. member will admit that all these points are not points of order but, rather points of debate, I do not think the hon. member was straying from the motion before us, and I think he should be allowed to continue.

Mr. Stollery: Mr. Speaker, it is very difficult for me to try to respond to the hon. member's speech. I can only respond to the motion, and I am afraid that is a limitation I must accept in pointing out the error of his ways. I was explaining that the rationale for the position that the Unemployment Insurance Commission is not prepared to enter into an agreement with the government of the United Kingdom is that most people come from the United Kingdom to Canada. This would work to the detriment of Canada. People would be able to come from the United Kingdom to Canada, become eligible for unemployment insurance and then return to the United Kingdom and collect unemployment insurance there after eight weeks' of work in Canada. I think people would find that objectionable.

Another central issue was the fact that there would be difficulty in administering any such agreement, and the effective administration that would be required would be very expensive. Also, it was felt that the difference in currencies would cause a problem. I might add that the commission's views have been fairly well received and the United Kingdom has not pursued this position very strongly.

With regard to the government of Italy, they have approached the Unemployment Insurance Commission with a view to establishing—

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, first of all I would like to congratulate the hon. member for Halton-Wentworth (Mr. Kempling), not so much for the logic of his motion—although he is usually a logical fellow—but for going to bat for his constituency as a good member should. After all, what he is doing is trying to

help his constituents rip-off unemployment insurance, as everybody else is doing.

● (1730)

Perhaps what we should be discussing is some kind of entitlement. This is really what his constituent is saying in between the lines in her letter—"Everybody is ripping off the unemployment insurance, so why not me?" The reason I rise to speak on this is that I think there are some things that need to be said.

I have witnessed many occasions since the last election when Conservative members and others have risen to denounce the inequities under the Unemployment Insurance Act, telling how the administration is prosecuting so and so, bringing the law to bear on so and so, being unjust, and behaving mercilessly. Yet the Conservatives were the party that virtually fought the last election on a campaign against abuses of the Unemployment Insurance Act, saying how they hoped to clean it up.

Mr. Kempling: On a point of privilege, Mr. Speaker, the hon. member for Waterloo-Cambridge is absolutely twisting what has been said.

Mr. Knowles (Winnipeg North Centre): That is no point of order.

Mr. Kempling: There is no case of anybody ripping off anything. What my constituent is asking is that unemployment insurance premiums not be deducted from her income. She does not want to pay in, and she does not want to collect from unemployment insurance.

Mr. Knowles (Winnipeg North Centre): Why did you not make your speech while you had the floor?

The Acting Speaker (Mr. Laniel): Order. I wish to remind hon. members that they should not take advantage of points of order or points of privilege to try to explain or rectify the arguments they have made in their speeches. Hon. members are entitled to their own interpretations of speeches, and as long as they follow the rules and regulations of the House and stay within the subject matter of the debate, they should be allowed to continue their speeches without intervention.

Mr. Saltsman: Mr. Speaker, I want to make it very clear to the hon. member for Halton-Wentworth (Mr. Kempling), who I am sure will send a copy of his speech to his constituent to indicate how he has gone to bat for her, that he at no time suggested she was ripping off the unemployment insurance. The hon. member was putting her case forward as a legitimate complaint for this House to consider, and I hope nothing I have said suggested anything else. But I am suggesting that what his constituent is saying is, "Everybody is ripping off the act, why not me? I am contributing; I am entitled to take it. She has pointed out that people contribute under the act for eight weeks and then collect maternity benefit. I say that the hon. member's constituent is absolutely right, that the act is being ripped off right, left and centre.

When the amending act was introduced by the hon. member for Verdun (Mr. Mackasey) I may have been the only member of the House who rose to criticize it sharply.

At that time I said it was no longer an Unemployment Insurance Act, and that by no stretch of the imagination was it an insurance program. I said it had become a giant welfare scheme. Events subsequent to that have demonstrated the truth of what I said. The trouble is that a lot of people are collecting unemployment insurance as if it were a welfare program, treating it as supplemental income. These are people who would be horrified if they had to go down to city hall to make an application for welfare.

The point here is that the hon. member's constituent who wrote him a letter is saying, "I am making contributions and I cannot get any benefits." I ask in which way is she different from many people who are making contributions and not getting benefits? I say there is no more sense to the act. There is no more relationship between the contributions people pay under the act and the benefits they receive.

What we have in this country are people who go to work, punch the clock, work conscientiously at what they are doing, while many other people, some of them legitimately unemployed but many of them unemployed strictly by choice, prefer to collect unemployment insurance rather than work. Something has to be done about this because moral decay sets into society when this takes place.

What was once a great Unemployment Insurance Act that I supported and that many others supported because we felt it gave people the income maintenance that was necessary has now become an entirely different thing. Anyone who rises in the House and tries to relate the premiums to the benefits, or the risks to the premiums, is really off the point. We should not even call them premiums. It has no relationship to an insurance program. It is straightforward taxation that we are imposing on people, and we might as well call it taxation. If we are going to continue with this system, then I say let us get rid of all premiums and simply add the cost to the tax system. It would be a fairer way.

Who are the people who are abusing the act? They are not particularly the poor. A lot of them are middle class people with a somewhat superior education who have learned every single line and comma in the act. They know to the day how long they have to work in order to qualify, and how long it takes to collect benefits. They make a very simple calculation to cover an eight week period. They say, "It is going to cost me something like $10, and I will get $1,500 back." What kind of justice is there in a society that permits that kind of thing to go on? The girl who cannot go to work for the necessary number of qualifying weeks because she is pregnant will not get benefits. But somebody who is smart enough can rip off the system for $1,500.

While it may not be a very popular thing to do to stand up and denounce the act, I think it is necessary for somebody to bring this matter up. What is the point in fishermen being included under the provisions of the act? Insurance is supposed to take care of unpredictable hazards. What is unpredictable about fishermen being unemployed?

If all fishermen were poor, of course, people would understand that this is a form of income maintenance; but

many fishermen—and here I am talking about west coast fishermen—earn more in the few months they are working than some guys will earn working a whole year in a factory. They work for a few months and collect unemployment insurance for the rest of the time. Up until recently that was not taxable income. At least now it is taxable income.

I remember the time when people in jobs were using seniority in order to hang on to their jobs. But when the time comes that people use their seniority in order to get laid off so that they can collect unemployment insurance, then I say our society and the motivations at work in our society have to be looked at again.

It is not a question that people do not understand. I have many people who call me and ask about their rights under the Unemployment Insurance Act. When they are talking to me they may say, "I guess you are not very happy about what I am doing. I am not happy either. I know I am ripping it off, but then everybody is doing it."

An hon. Member: Everybody is not doing it.

Mr. Saltsman: I am saying that there are tremendous abuses of the act the way things are set up now. In effect, it has become a disaster area. The time has probably come when it must be changed from a separate attempt to maintain income and become a far more comprehensive program that includes income for all kinds of losses, integrated with workmen's compensation and other plans.

The Acting Speaker (Mr. Laniel): Order. I regret having to interrupt the hon. member but he is engaging in a rather wide examination of the Unemployment Insurance Act. I think he should return as quickly as possible to the motion that is in front of us, which is really directed to one special type of case covered by the act, as put forward by the hon. member for Halton-Wentworth.

Mr. Saltsman: Thank you, Mr. Speaker. I can understand your concern. If I have ranged somewhat widely it was for the purpose of demonstrating how ridiculous it was to try to make any change in the Unemployment Insurance Act in this case.

In effect the motion is an attempt to point out that there is an abuse in the provisions of the Unemployment Insurance Act. Payments are being collected from some people who simply have no way of collecting benefits. What I am suggesting to the hon. member who moved this motion is that to argue anything on a rational basis to try to get an adjustment of the provisions of this act is pouring water into a sieve.

• (1740)

I want to conclude what I have to say but I hope, Mr. Speaker, that you will appreciate why it had to be put in that somewhat larger context. We now have a situation that we are paying for because a former minister of the Crown could not get his way in cabinet in terms of economic policies and he was going to solve all of the welfare problems of our society in one fell swoop through unemployment insurance. The consequences of that attempt have been very harsh and have changed in many ways the psyche of our society very much for the worse. I think it is time that some serious corrections to the Unemployment Insurance Act were made, though not along the line of suggestions made today because something far more fundamental will be required.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, one of the reasons I have enjoyed listening to the the contribution of the hon. member for Halton-Wentworth (Mr. Kempling) and the hon. member for Waterloo-Cambridge (Mr. Saltsman) is that the positions which they have suggested this afternoon are not typical of those their parties normally take. I recognize, of course, that the Conservative Party has tried to play it both ways on unemployment insurance. Normally, I think, the majority of them like to come down on the tough side, but here we have the hon. member for Halton-Wentworth pleading for more benefits. By contrast we have the member from the New Democratic Party taking a tough line on unemployment insurance. Knowing that he is somewhat an individualist, I am not sure that he presages the views of his party on all points involving unemployment insurance, but it is interesting to hear such views from that corner of the House.

The hon. member for Halton-Wentworth began by saying the this was a very straightforward matter and he thought we would make it too complicated. I may say that is just what we have to do, not because we are making it complicated but because the facts and legislation do so. The presentation that the hon. member gave is somewhat too simple for the situation. I refer to the inaccuracies both in the motion and in the comments which he made this afternoon. There are some five or six of these which change his perspective considerably.

I should like to begin by quoting from the notice of motion, which reads:

> That, in the opinion of this House, the government should consider the advisability of amending the Unemployment Insurance Act, to remove the inequity whereby a contributer under the Act, who is not resident in Canada, cannot receive benefits upon becoming unemployed outside of Canada and, in fact, receives no benefit from those contributions upon returning to Canada.

The first objection I would take is to the last clause in the motion which states that a person who is not resident in Canada and has paid contributions receives no benefit from these contributions upon returning to Canada. Mr. Speaker, that is not so. In his spoken remarks this afternoon, I take it that the hon. member for Halton-Wentworth was repudiating the statement in his motion and suggesting—

Mr. Kempling: Not at all.

Mr. MacGuigan: The hon. member says "Not at all", but the suggestion orally was not that no benefits could be obtained but that there was a 12-week wait. It seems to me that is a contradiction of what he suggests in his motion.

Mr. Kempling: I said 8-week.

Mr. MacGuigan: Well, I took down the figure 12 at the time the hon. member said it. In any event, he is wrong on both counts, whether he is saying that there are no benefits when they return to Canada or is suggesting that they must wait for 12 weeks or 8 weeks. Such a person is in

exactly the same position as anybody else who contributes; he has the normal waiting period, and providing he has the proper amount of insurable weeks of contribution during the previous year, he has no more waiting period than any other person. There is no requirement for requalification either. That is a very considerable limitation on the picture which the hon. member for Halton-Wentworth painted at the beginning.

There are also some qualifications to be made which considerably change the first part of the motion before us. To refer to the words and the clause just before the one I previously referred to, the motion reads:

> . . . a contributor . . . who is not resident in Canada, cannot receive benefits upon becoming unemployed outside of Canada . . .

That is not true in all cases, and again these limitations are of considerable importance. The first of these, as the hon. member for Spadina (Mr. Stollery) has pointed out, is that where there is a reciprocal arrangement with another country, there is an exception. The United States is the only country with which we have a reciprocal arrangement at the present time. Another exception mentioned by the hon. member for Spadina was where a Canadian claimant in a foreign country falls sick and requires hospitalization in that foreign country. During his period of actual hospitalization in the foreign country he is covered by the Canadian unemployment insurance program.

There is a third and important exception which is in the process of being established, and this we could not have expected to have come to the attention of the hon. member of Halton-Wentworth because it is not yet entirely a matter of law. I can say this afternoon on behalf of the minister and the unemployment insurance commission that there is the intention to make this further change with respect to sickness and maternity benefits. The new policy would make provision for claimants abroad to claim sickness or maternity benefits providing their residency abroad was due to their participation in insurable employment or their spouse's participation in insurable employment. It follows, of course, that the individuals would also have to qualify in their own right.

The unemployment insurance commission has adopted a policy which can be implemented by regulation. Administrative procedures are now in the process of being worked out and the policy is expected to be implemented in short order. The bulk of the claimants for whom serious questions have been raised include service men and women, members of the Canadian public service abroad, and employees of Canadian multinational corporations who are working in insurable employment abroad.

The proposed solution, which would allow for the payment of sickness and maternity benefits, would not necessitate reciprocal agreements with other countries concerned and, therefore, would not have any of the disadvantages which might be attached to paying regular benefits. The individuals concerned could file their claims through a Canadian office designated to handle such claims. There would be no need to police availability as entitlement would be based on the adequacy of medical evidence. The act would not have to be amended and administratively we could expect, particularly in large armed forces bases overseas, that the staff would receive some training material which would enable them to assist claimants in making application.

[Mr. MacGuigan.]

Finally, there would be no need to seek a change in the coverage regulations which are the responsibility of the Department of National Revenue, Taxation, as the commission could implement this change by amendment to section 169 of the regulations.

It should be recognized, Mr. Speaker, that for the most part Canadians who are serving abroad and who are in insurable employment have contracts of service with employers, mainly with the Canadian government, which would not leave them unemployed overseas. Any termination would include transportation back to Canada. In this event, the individual concerned could file a claim and would be eligible for unemployment insurance benefits as if his credits were established in Canada. Those people who go overseas will become eligible for maternity benefits; for example, a servicewoman who, while granted leave without pay by the armed forces, receives no further remuneration would be eligible to receive unemployment insurance benefits while abroad for the designated 15 week period. This would also hold true for those persons who became sick and could establish that fact by medical evidence. Since there is no need in these cases to establish availability or capability, then there would be no difficulty in paying these persons without the need for reciprocal arrangements which would cause administrative and other difficulties.

As I mentioned, Mr. Speaker, this policy has recently been adopted by the unemployment insurance commission and it is the intention of the commission and the minister to change the regulations to implement the policy. This matter had been brought forcefully to the attention of the minister and the commission by the Minister of National Defence (Mr. Richardson) on behalf of armed forces employees. As a result of this and other representations it was decided that a change in the regulations should be sought. However, to make the change on the broader scale suggested by the motion would, it seems to me, open a can of worms that would be very difficult to deal with.

● (1750)

We have had UIC problems in this country. For example, as hon. members know, there have been difficulties in enforcing all the regulations and ensuring that claimants are available for work. We must recognize that there are not any officers of the department in Europe who act in a policing capacity. Unless we enter into reciprocal arrangements with European countries, we could not take advantage of their services. Indeed, their conception of unemployment insurance is sufficiently different from ours to make it hard to say whether or not we could use their administrative services. We do not know whether their services would enable them to cover the claimants we might have.

There are skiers in this country who have gone on holiday to Banff by taking advantage of their unemployment insurance benefits. If the hon. member's suggestion were adopted, we should have people taking their holidays in the Alps, or in Austria, at the expense of the Canadian taxpayer. It seems to me that that is not what the hon. member wishes to suggest.

That is not the sort of loose administration which can be countenanced by the unemployment insurance commission or by the government. I suggest that, if he considers all the implications, this scheme will not be countenanced even by the hon. member for Halton-Wentworth (Mr. Kempling). Therefore, it seems to me that it would not be advisable to follow the line suggested by this motion. At the same time, it is important to understand that the motion has, albeit erroneously and inaccurately, drawn the matter to our attention. Inasmuch as there is already a considerable area within which there is protection for Canadians who are employed abroad and who make contributions abroad, it would not seem wise at present to expand that protection.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, the hon. member for Halton-Wentworth (Mr. Kempling) has given us an opportunity to go over this general area of concern, even though he has spoken about his constituency. For that I wish to thank him. Without looking beyond our borders, the hon. member for Halton-Wentworth can point to people who fall into two additional categories which might benefit from his intervention in this House. I am speaking of their eligibility for unemployment insurance payments.

First, let me refer to constituents who might presently be or might have been in the past workmen's compensation cases. On re-entering the labour force after absence due to an accident, after which they might have found a new skill, they are confronted with difficulties. Many people acquire new skills in their forties and fifties. Such people as these may have contributed for a number of years to the unemployment insurance scheme. They find themselves attempting to re-enter the labour force. They seek employment and yet are without protection; they are without income benefits on a weekly basis, and without the advantage of protection under the unemployment insurance scheme. This category would embrace a number of people in the hon. member's constituency and in the constituencies of many members of this House.

Another group affected, of course, is the group alluded to by the hon. member for Halton-Wentworth. Perhaps the government should look at this matter and try to find an equitable answer. This group consists of ex-inmates who have been out of the labour force, for obvious reasons. They may have contributed considerably and, at a certain point, found themselves re-entering the labour force; yet because of their absence from the labour force, they do not qualify for any benefit or coverage.

That situation, of course, entails an economic strain on those individuals who are, in most cases, seriously determined to re-enter society and find employment in a normal way, just as everybody else does. Yet they must turn to special agencies for economic assistance instead of drawing benefits from the fund that has been established, also with their help.

We can understand the dilemma of the commission in being asked to cover people who have been out of the labour force for a certain period. In the case of the man who has been injured and who has been covered for some time by workmen's compensation, the unemployment insurance commission can say that such a man has not been available for work, has been under the jurisdiction of another commission, and therefore constitutes a case for which the commission has no responsibility. I suppose a similar reply could be made by the commission in the case of an ex-inmate.

The hon. member for Halton-Wentworth, in giving examples, raised the question of the eligibility of individuals in our society who, for some reason or other, have not belonged to the labour force in Canada for some time but who, at the same time, feel that they have a claim on some form of benefit.

This raises a much broader question. I would not want to incur your displeasure or be ruled out of order, Mr. Speaker, but I am looking at the clock, and it is almost six o'clock. In other words, we must deal with the much broader question of whether in modern times the whole system of unemployment insurance really meets our needs, or whether or not in Canada we should introduce a system which will be based on ensuring employment rather than on ensuring benefits for the unemployed.

The present system of unemployment insurance entails the setting up of all sorts of rules and regulations that result in frustrations and confrontations between applicants and claimants, on the one side, and the bureaucracy, on the other, with the government getting the blame in the middle. Mr. Speaker, as it is six o'clock, perhaps I may be permitted to call it so.

The Acting Speaker (Mr. Laniel): It being six o'clock the hour appointed for the consideration of private members' business has expired. I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

REINSTATEMENT OF LAW RELATING TO CAPITAL PUNISHMENT THAT EXISTED PRIOR TO DECEMBER 30, 1972

The House resumed consideration of Bill C-2, to amend the Criminal Code, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, here we go again on the capital punishment debate, Bill C-2. In my view, this debate is a waste of time. Many bills have much greater priority than this. I believe about 150 speeches have been made on this bill since it was introduced earlier this session.

Let me repeat what I stated when I spoke in this debate on May 22. There are many bills, such as the family allowances bill, which could have been debated earlier this

session, passed by Parliament and be in effect by this time. People could have been receiving their increased family allowances by July 1.

It is about time somebody told it like it is. No one has been executed since 1962. At present, no one is in the death cell awaiting execution.

I had the privilege today of speaking to a former distinguished member of this House. He said we might as well resign ourselves to the fact that there will never be another execution in Canada and we should get on with other business. I might qualify this by saying there will never be another legal execution. Every day and every night people are plotting executions, whether it is of members of this House or someone else. They are being plotted and carried out. If the executioners are unfortunate enough to be caught, they will be subject to the usual life sentence which will be commuted in 10 years. This is not a big gamble for them.

This afternoon I listened with great interest to the hon. member for Louis-Hébert (Mrs. Morin). She spoke in support of her amendment which would provide capital punishment for kidnapping and rape where killing ensues. She cited cases of kidnappings of prominent people and the children of prominent people. Time and again ransoms have been paid and murders committed.

I also listened to the hon. member for Broadview (Mr. Gilbert) who referred to the amendment and the remarks of the hon. member for Louis-Hébert. He questioned the hon. member about rape killings. He stated that women have a particular hang-up fear of this type of murder. He can certainly view this type of crime in a detached and compassionate way as there is no way he could possibly be the victim. That certainly would not apply to the beautiful and eloquent member for Louis-Hébert.

The hon. member for Broadview stated that most Canadians feel protected. I disagree; most Canadians feel they are not protected. I live in a small town where the crime rate is among the very lowest. Years ago we never locked a door or closed a window. Now when I am at home on weekends my wife lives in fear that someone will break in and commit a crime. I have to check all the windows and doors.

Time and again the song-singing abolitionists—and there are a great many of them—talk about terrible crimes. They point out that many of these dastardly crimes are committed by mentally ill or deranged people. They talk as though these people would be subject to the supreme penalty. That is absolutely ridiculous. Everyone knows that if someone is proven mentally incompetent, he will be sent to a hospital or institution. If he can be cured, he will return to society in due course.

We hear a lot about the words compassion and mercy. They are beautiful words, very poetic. In Shakespeare's Merchant of Venice, Portia said:

> The quality of mercy is not strain'd;
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> It droppeth as the gentle rain from heaven
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> Upon the place beneath.

In view of the majority, too much mercy has been handed out and there has been too little justice. There has been too much concern for the killers and little or none for the victims or their families.

It was suggested in another amendment that was not approved that we should provide a 25-year minimum mandatory sentence for first degree murder. I believe this is just as severe as the death penalty. Let me repeat, I consider death by hanging a cruel way to take a person's life. In my previous speech I stated that these cold-blooded or mad dog killers should be eliminated from society as painlessly as possible by administration of a drug.

Those in favour of abolition talk about vengeance and the state becoming a murderer. The public is unhappy with the present crime wave, too lenient sentences and murderers being allowed out for weekends and holidays—and on one occasion to get married. I am aware that the majority of members in this House are not in favour of the retention of capital punishment for murder in the first degree. However, let me say loud and clear that the majority of the people in Canada are certainly in favour of it.

● (2010)

It would seem to me that members of this House should give consideration to public demand for tightening up our laws and severe punishment for these criminals. Those espousing the cause of the abolitionist have some very powerful allies in the press and news media. Let me repeat that the majority of newspapers, TV and radio stations or broadcasters seem to be in favour of abolition. However, this is one case where they have come off second best, because they have not been able to sell this bill of goods to the public at all.

It has been mentioned in this chamber before, and I repeat it, that this question should be put on a general referendum at the next general election. Let the people of Canada decide once and for all, instead of leaving it to 264 members of this House. This is supposed to be a free vote but we know that is not so. This is a government-sponsored bill, and I am quite sure there are members on the other side who deep down in their hearts feel, as many of us do, that capital punishment should be retained. If they voted on this basis they would be voting on their own convictions, and in 99 per cent of the cases would be voting as the great majority constituents would want them to vote.

The sooner we get this bill out of this House and this issue decided, the better. We can then get down to the serious business of priority matters such as unemployment, inflation, family allowances and so on.

We were supposed to amass data on whether capital punishment in respect of killers of policemen would be a deterrent to this type of crime. No data is available for the simple reason that killers of policemen in the past five years—and there have been far too many such murders—have all had their sentences commuted by the cabinet. Since we cannot ensure that the government will in fact allow the execution of murderers of policemen and prison guards, this debate is simply a time-consuming exercise. In my view our time is too valuable to waste in this way.

I would far rather the government asked for a vote on what it really wants, total abolition, and then we could get down to the business of the House. The government has

brought this matter before the House during this hot time of the year assuming a lot of those opposed to the bill would be home in their ridings. I for one would like a holiday, but I am quite prepared to stay here during the entire summer and right through until Christmas, and I know I speak for many others. I certainly feel that this bill should be brought to a head right now; we should get rid of it and then get on with more important business.

Mr. Joe Hueglin (Niagara Falls): Mr. Speaker, I find it very good that the mini-caucus has broken up and hon. members are paying some attention.

In entering this debate in favour of the proposed amendments I do so in the hope that some of those who voted for the bill on second reading will be willing to see the terms for which capital punishment can be brought down enlarged. I know there is no hope of persuading members of the cabinet because they voted as a block, not as individuals, and as such will not accept any amendments. Neither is there much hope of influencing our friends, the hon. members to the left. Their speeches earlier today showed clearly how befogged their minds are by emotion.

There is hope, however, in respect of private members in the government party. They are not bound by cabinet decision. Indeed, the very fact that this amendment was introduced by the hon. member for Louis-Hébert (Mrs. Morin) shows that some retain their independence, and for this she and others are to be congratulated.

I support this amendment not because it fulfils my personal belief, but because it will afford some better punishment and deterrent than otherwise would be the case. It offers protection to persons other than prison guards and policemen. It will give no fit punishment for a hired killer and it will not punish or deter someone killing for personal profit or premeditated revenge.

But while it will not prevent a woman being raped, or men, women or children being kidnapped, it will, if passed and if executed—and this is important—protect their lives once the act has been consummated. While the Nelles kidnappers, had they received the money they sought, would have had no fear of the sentence for kidnapping which they subsequently served, they would have thoughts about destroying evidence if their lives depended upon it. Certainly the sentences served for rape and kidnapping, and even murder, have no deterrent today, but the loss of life would.

Members have suggested that the hon. member for Louis-Hébert is acting as an irrational and emotional woman in bringing in these amendments. May I say as a husband and a father that I share her concern, not out of an irrational fear but out of a very real fear for the lives and safety of my own kith and kin, and those of others.

I have known students of mine who have been attacked, and have witnessed the effect it has had upon their lives and the lives of their families, and it has not been very nice. Let the hon. member for Greenwood (Mr. Brewin) be as objectively emotional as he will. Let him say women often provoke men to rape. Let him call it "perfectly frank, the result of invitation", that these things happen. But I say that no girl ever invited her own death. Many, many girls are accosted, women are accosted, mothers and wives are accosted, as they mind their own lives, as they wend their own way home on our streets.

It is not death for rape that we are speaking of in this amendment, though as a result of replies I have from my riding I believe many more would support this than some would think; it is murder during rape. The hon. member for Greenwood surely misunderstood the amendment, misrepresented it, or knows little in suggesting that women wish to vindicate their reputations by inviting murder. We are so concerned about the murderer these days, but if one person is saved by the deterrent effect of this amendment, it is well worth the while.

The hon. member for Broadview (Mr. Gilbert), if I interpreted him correctly, stated there is little fear among our people as they move about our streets. If this is a correct statement of his views—and I stand to be corrected—he has surely had little contact with his people, or has not sought their attitudes; or else his part of Toronto gives a stronger impression of security than Niagara Falls does to my people.

The first debate on this bill, which took place in a time period when people were politically aware and not engaged in pursuing their own holiday pleasures, engendered great response among my people. Be it in a store, a senior citizens' centre, a hotel or a women's gathering, the same statements emerge: "We lost, didn't we? It used to be safe to walk home. How is it that the Commons voted against what the people want"?

It mattered not to whom I spoke in the weeks since that debate—young, old, well-to-do or struggling—the overwhelming consensus was that the death penalty should be preserved, not because these are blood-thirsty fanatics, but because they perceive their lives to be in peril.

The hon. member for York East (Mr. Arrol) has stated his concern and hope that we do not reach the state of our neighbours to the south, where shoot-outs and murder and local armed guards are everyday occurrences. When someone from Toronto phones through to Detroit and says we have had 24 murders, they think of this as being on a weekend rather than in a whole year. My people share his concern and I share theirs.

Some will say that Americans who come to our great cities feel free from care. But it is a relative freedom, and our people perceive this diminishing year by year as permissiveness for the individual overcomes concern for the common good of society.

Have the abolitionists consulted their people? Have they asked them their opinions? If so, let them enter this debate and give us their statistics. Some, like the hon. member for Ontario (Mr. Cafik), in their newsletters have written their constituents of their opinions, but I wonder if they have consulted them.

Some argue that Parliament must lead the people. This is true, but it must be in directions that the people feel comfortable with, that rest their minds and that commend themselves to the people. We have had five years of leading, and it has been rejected totally by the people of Canada. It has been said that in the U.K. abolition has been brought in; but it has been by the will of parliament, and people are demanding the return of the death penalty. In the United States it is by the fiat of the courts; but both

the people and governments are in opposition, and not only at the federal level, I might add.

● (2020)

Our people are concerned about the lack of control on individual licence in respect of drugs, pornography, murder and virtually all aspects of life. This abolitionist government, however, is determined to obtain its way. The very interesting amendments in committee showed their true colours. It is too bad the amendments were not accepted because then the government could have been held totally responsible for what would follow. But the amendments of the Solicitor General and the cabinet were ruled out of order.

These amendments advocated complete abolition, a position opposed by fully 88 per cent of those polled in the Niagara Falls riding. Over 55,000 people replied to the questionnaire sent out in this riding. The amendments were introduced with the concurrence of the cabinet, I presume in the belief that the true aims of the cabinet could be realized in legislation as well as in executive decree because of the 14-vote spread on this bill when it received second reading. This debate should have been delayed until the fall when people would have had a full interest in politics and public concern could have manifested itself more fully.

An hon. Member: No.

Mr. Hueglin: Of course, you are not interested in the people. It has been introduced now when many electors are more concerned with living their private lives—

An hon. Member: Talk about yourself.

Mr. Hueglin: Mr. Speaker, let the hon. member at least attack me if he is going to speak. Otherwise I hope he remains quiet. It has been introduced now when many electors are more concerned with living their private lives and when our actions here fall on fewer ears than usual. This debate should have been held in the fall, but that it is held now is the government's will supported ably by some backbenchers.

We are addressing ourselves to the first amendment. This amendment does not go as far as the people wish. It will not allay all the concerns. However, it is a step in the right direction. If this amendment should pass, and I hope it will, it will be interesting to see whether, if a murder should occur under this provision, the law will be honoured, or whether the expressed will of the cabinet will prevail.

Almost three years ago now Canada was greatly upset by what was called a threat to our life as a nation. Lately we have seen the last of those who were accused of murdering Pierre Laporte convicted of a crime, but so late after the fact and so limited in gravity that little satisfaction is derived by those who have followed the case. Indeed, there is some discontent. The country was unsettled by the situation which developed in October 1970, and it is still unsettled because the rehabilitation of the individual rather than the protection of society is the priority of this government. The individual feels threatened. He must be granted security if life is to be lived in

freedom from fear. The people of this country demand security. The government has denied them this. This amendment provides some deterrence to kidnapping and rape. For this reason it has merit and therefore I shall support it fully.

In his defence of abolition the hon. member for Broadview (Mr. Gilbert) introduced history to support his position. He said we move from barbarism to enlightenment and that this should be stressed. He said we should look for good and not evil. History will show periods of refinement and enlightenment.

History shows that man is a mixture of good and evil. The good must be fostered, but if the evil is not controlled by society, individual licence will destroy a civilization. We are in a period of permissiveness in which individual freedoms and demands dominate. But these are infringing on the paths of those who seek only to live their lives in peace and security and have no causes to promote. In the minds of the people the death penalty is the keystone; it is the ultimate sanction against anti-social acts. Let hon. members poll their constituents and they will find this is so. Let them prove whether the people fear, or whether, as the hon. member for Broadview says, the people walk the streets with no fear.

Our people want and need a strong statement from their leaders that society will be maintained, that permissiveness will end, and that order will be restored. It is my hope that this amendment will pass. It will perhaps deter some people from killing, and if it is put into effect it will certainly bring retribution to those who disregard society. This bill is an abomination. It should be withdrawn and replaced by the true feeling of the cabinet as shown by the amendments of the Solicitor General (Mr. Allmand). It should be a bill of complete abolition. This amendment improves the bill, but allows others who commit premeditated murders to escape their just reward.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to make a few remarks on Bill C-2 entitled An Act to amend the Criminal Code. This bill was sent back to the House by the Standing Committee on Justice and Legal Affairs with two proposed amendments, one of which by the hon. member for Louis-Hébert (Mrs. Morin). May I be dispensed from reading it since the Chair has already done so.

I can understand that it was difficult for the members of the committee to pass those amendments according to the wishes of the members while respecting the Standing Orders. That explains the confusion at one point, of which the public was not made too much aware.

Still, the amendment of the hon. member for Louis-Hébert (Mrs. Morin) adds to the provisions of the act two types of murders which could be punished by death. And I commend the hon. member who made this afternoon a most convincing speech in support of her amendment. It was a speech by a true mother who knows life and who wants at all costs to see it respected in this country. And whoever jeopardizes the right to live in a truly Christian society should be punished.

● (2030)

In any event, in the past capital murder was punished following fair judgement. I think the time when justice should be forgotten and not be allowed to proceed is not over. However, I am surprised to find that the abolitionists are aware that life is the most precious gift made by God to humanity. They all know that to keep his life one must struggle day after day. In fact, they all know that this invaluable treasure is the most precious gift God made to humanity.

A few day ago, I attended the celebration of the one hundredth birthday of one of my constituents. I was able to see the great happiness experienced by this person at being still alive. You could see on his face his happiness at being still alive with all his lucidity and faculties. On that occasion, I heard very moving tales of heroic actions by our ancestors who saved the life of a mother, of a newly-born child or of a father wounded while working.

As many other members, and also as many other citizens, I cannot understand how members may be in favour of the abolition of capital punishment under the pretence that they consider that as revenge and a lack of respect for life while on the other hand, they are for abortion, namely the murder of innocents who have a right to live, right that was given to us and that nobody could dispute. Why show such a lack of respect for innocent victims and be so compassionate for those who are found guilty of capital murder?

I can remember very well when I was eleven years old and my father lost his wife accidentally as he was helping a needy neighbour rebuild one of his farm buildings. I understood then the self-sacrifice of a father who was helping a neighbour, a fellow citizen and I have kept to this day an indelible remembrance of that generosity, of that charity one can have for his fellow men. But I would not have the same kind of remembrance today if my father had been the victim of a murderer. That is why I can better understand what may happen in the heart of a mother, or of children whose father or mother was the victim of a murderer.

Now we live in society, and I think that we have the right to make certain rules, to pass certain laws, so that we can have mutual respect for what is most precious to us, for what we all seek to preserve, and that is life itself.

Mr. Speaker, it is all very well to say that the abolition of capital punishment has not helped to reduce the crime rate, but we should remember certain statements made by persons in office several years ago; they quoted figures that cannot be questioned to prove that the abolition of the death penalty, on the commuting death sentences by the cabinet, did indeed contribute to a rise in the number of murders in Quebec.

I refer now to the testimony of the hon. member for Saint-Hyacinthe (Mr. Wagner) who, in 1961, as Quebec Minister of Justice, stated, and I quote:

The Minister of Justice, Mr. Claude Wagner, made a strong impression on the delegates at the federal-provincial conference of Attorneys-general and ministers of justice, when he presented statistics to prove that the number of murders has steadily increased in Quebec since 1946, but especially since 1961, when the practice of commuting death sentences to life emprisonment started.

What was done, quite simply, was to remove the fear that is essential: the fear of punishment. He showed his statistics that there was an increase in the number of murders and I think that he was right.

In 1965, the present member for Saint-Hyacinthe, who was still Minister of Justice at the time, in a statement published in the newspapers, urged the public to write to the federal government saying that the death penalty should not be abolished. Here was a Minister of Justice who had had courtroom experience, since he had been a judge for some time, and who was now asking the public to write to their elected representatives, to the government of Canada, asking that capital punishment not be abolished.

That was the testimony of an informed man; I think that he had a certain amount of experience, and at that time it was given little consideration. In fact, the Criminal Code was amended, and the death penalty was kept only for the murder of police officers, law enforcement officers and prison guards.

And it happened—as I mentioned in a speech on second reading—that a number of policemen, law enforcement officers and prison guards have been murdered and that criminals were condemned after a fair trial for capital murder, when they were undoubtedly guilty. I still agree with my leader who said this afternoon in this House that the death penalty should be retained for capital murder, if there is no possibility of miscarriage of justice, if the evidence and circumstances show that it was definitely capital murder.

I feel that we should retain that penalty for criminals who in cold blood kill their fellowmen.

I will now quote a former Minister of Justice who was a member of this House, Hon. Rémi Paul:

—Mr. Paul stated in particular that the death penalty was necessary as a deterrent within the community. To abolish capital punishment would mean to believe that right is in the power of the individual, that might is right and that justice leans on the side of the stronger, said that lawyer.

● (2040)

—he repeated that sentiments have nothing to do with the legislation concerning capital punishment. They consider with too much sympathy the fate of the criminal, he said, and feelings of false pity and love of man lead many people to ask society to avoid capital punishment.

In my view, this is neither a question of vengeance nor of saying like the old lex talionis: an eye for an eye, a tooth for a tooth. This is merely a measure of justice and equity.

In England, in 1971, a lady led a campaign in order to ask the government to restore capital punishment. I have here an excerpt from her statement which has been published September 5, 1971—

Mr. Speaker: Order, please, The hon. member will permit me to intrerrupt him for a moment. He knows that under our rules, he has 20 minutes at his disposal to debate this motion. May I remind him more specifically that we are considering the motion moved by the hon. member for Louis-Hébert (Mrs. Morin).

I hope that hon. members who will participate in the debate will find the way to relate their speeches to the motion.

May I remind the hon. member for Bellechasse. (Mr. Lambert) and all other hon. members who intend to take part in this debate that we have not reached the third reading stage yet, that we are considering the motion introduced by the hon. member for Louis-Hébert and that we may continue to do so tomorrow and for the next few days. There will be another motion to consider later on. I therefore suggest to hon. members that they limit their remarks to the amendment under review; eventually, they may have the opportunity, when the time comes for third reading, to make speeches with a more general approach. For the moment, I would urge the hon. member and all his colleagues to limit as much as possible their comments to the motion now before us.

Mr. Lambert (Bellechasse): Thank you, Mr. Speaker. I will take your recommendations into account. As always, I like to respect the Standing Orders as well as your authority.

Therefore, according to your recommendation, I will deal only with the motion now before us, that is the amendment moved by the hon. member for Louis-Hébert. Nevertheless, this amendment prompts us to make certain considerations and bring forward some evidence to show to what extent we wish that our fellow citizens' life be protected in all circumstances.

In any event, the amendment of the hon. member for Louis-Hébert reads, and I quote:

"(b) in respect of a male person, where such person causes the death of a female person while committing or attempting to commit rape,

That is the first part. I fully agree with this amendment because it often happens—we have witnessed it on a few occasions—that newspapers report that such and such person, such and such young girl was the victim of a murderer who assaulted her and resorted to cruel means in order to kill her and try to hide her body so as to conceal his murder.

What happens is that if there was in our Criminal Code a least one provision relating to the particular fact stated in the amendment, we would then have a third argument to justify the retention of capital punishment, since we have already two basic points in the bill itself, that is the murder of policemen and prison guards.

The amendment under consideration provides that we should add also, in cases of murder for rape, and I quote:

This is the third item which I quote:

(c) in respect of any person, where such person causes the death of a human being while committing or attempting to commit an offence under section 247, or, if while committing or attempting to commit that offence, such person abandons a human being and death ensues as a consequence."

Mr. Speaker, this fourth item in particular justifies the upholding of capital punishment in such circumstances. Thus, it is evident that the amendment could not anticipate all circumstances under which a murder could be committed. In my capacity as member for Bellechasse, whose population is in favour of upholding capital punishment, I consider it to be my duty to express its wishes in this House and I can say, after carefully studying these amendments, that I must give them my support so that we may extend as much as possible the circumstances surrounding murder punishable by death. Naturally, the same arguments could be used in many cases, which would be as just as those mentioned in the amendments to Bill C-2.

Mr. Speaker, those are the few remarks which I wanted to make on this amendment. Faced with the facts, with the wishes of the population I represent, I will of course have to vote in favour of this amendment.

[*English*]

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, at the outset let me say that I support the amendment to Bill C-2 submitted by the hon. member for Louis-Hébert (Mrs. Morin). This afternoon I was shocked to hear her say that she had been accused of trying to prolong debate on this bill. Such an accusation must come from the government side, because no one in this party would deny the hon. member the right to voice her opinion on this subject. If this is a truly free vote why should anyone be denied the right to speak?

The suggestion that the hon. member was accused of prolonging the debate is perhaps an example of the motives of those persons who are trying to ramrod this bill through the House. We must be given time to state our case, present arguments, consider amendments, and deal with the bill on third reading before the door is closed on this matter.

At this point I might say that the remarks by the hon. member for Broadview (Mr. Gilbert) about the mover of the amendment were a little inappropriate. To suggest that women are too emotional to exercise good judgment in such matters shows a complete lack of understanding on the part of the hon. member for Broadview. I am sure there are many female members of the hon. member's party who will certainly take issue with him over his remarks.

The amendment proposed is a proper one and I would like to see it applied more across the board to cover all acts of murder. But if it be that we must take part measures, then let us get on with it, and perhaps if the hon. member's amendment is adopted we could make a further amendment at a later date to add to the list of crimes that we deem should be punishable by death if an accused is found guilty.

I suppose everybody's opinion on this subject is tempered by his or her personal experiences. If you are one of those who are unafraid to view life as it really is, then your opinions are hardened by your experiences. If you live in a make believe world then you find it hard to accept the punishment suggested in this amendment for the crimes of kidnapping and murder and rape and murder.

If you read the Ottawa *Journal* tonight you will find in it an article reporting that two people were killed in a cafe in Quebec. As a result of the incident one woman was injured and two men are dead. The police said that the shooting "appeared to be the settlement of an account." In another report you read about teenagers tortured in a house of horrors.

If you are in the group who just cannot accept the idea of hanging, of being put to death for a murder, then as part of your experience in life I think you should visit with a family of a victim who has been kidnapped and murdered, or raped and murdered. It is a strange thing that in our society we seem to be very conscious of the person accused of such a crime. There are those who would have you believe that there is not adequate opportunity for the accused to prove his innocence. Some shrink away from the idea of hanging. Others will take the over-simplistic view that we are indeed barbarians if we would hang a person judged guilty of murder.

● (2050)

I have yet to hear one of those who stand for abolition discuss the family of the victim of the crime, those who are left behind to try to make a new life from one shattered by such an emotional experience.

My riding is one of the fastest growing in Canada. It is a riding of great mobility and we have had some murders in the past few years. I have personal friends whose daugther was murdered. I know the anguish they suffered, I know the months of rehabilitation, and I know the empty feeling they have when they look at you and say "Why, why was it our daughter"? They suffered invasion of their privacy by the press, some of them looking for cheap sensationalism that they might use for a headline.

When the guilty person was brought to trial and found guilty on a lesser charge in front of the courts, he was sentenced to the lesser crime and given ten years. After the sentence the police in their systematic way put together the facts and they found that this murder was similar to three others that had been committed in Montreal. They confronted this man with them and he confessed to them. He was brought to court again and was given ten years for each of the murders. He committed four and he was given ten years to run concurrently. Ten years for four murders. I find that hard to take.

I spoke earlier today on a notice of motion and the hon. member for Waterloo-Cambridge (Mr. Saltsman) in his usual style took many of my words out of context in the same style as people who oppose capital punishment for kidnapping and murder and rape and murder will take out of context the sentence meted out to the man who murdered four times. They will say, after this man has served four, five or seven years or whatever the Parole Board gives, that he has paid his debt to society and should go free. All the rehabilitation groups will say he can soon be made useful in society again.

What about the victim's parents? I do not see any rush of people trying to get them into the mainstream of life again. I have heard of no groups trying to rehabilitate the survivors of a murder victim. I have heard the sanctimonious statements of abolitionists, but not one word has been uttered on behalf of the survivors of a murder victim.

I know of a policeman killed in the line of duty, or murdered in the line of duty, whichever way you put it. He left a wife and family. I have heard some abolitionists say his family will be looked after by the police benevolent society. That is a pretty tough case for a kid who wants his father.

We know of cases where the taxpayer has paid for weekend accommodation with all the trimmings for hardened criminals when some rehabilitation officer felt the prisoner needed a change of scene. It is no consolation to the survivors of the murder victim to know a person accused of the murder of their wife or daughter or son is enjoying rehabilitation.

A kidnapping itself is a heinous crime, although kidnapping and murder is worse. But rape that ends in murder is probably the worst crime of all. I do not know of any crime that angers men more than rape that ends with murder. Rape in itself is bad enough, but rape and murder is committed by people who are little more than animals. I can find no room in my heart for them. I can find no compassion for them.

If they commit the crime and are found guilty after all the numerous avenues of appeal available to them, they find no sympathy in me. I myself have seen victims of rape and murder, and I say to an abolitionist I would like him to look in the face of a person dead of rape and murder and tell me if he really has any compassion for the person who committed the crime.

Pick up your weekend paper and read a story that was in my paper last week of a little girl enticed into a car by a man and never seen again. It takes little imagination to realize what happened. The parents and family of that victim suffered beyond belief. I have a constituent who recently lost her young child due to an act of murder. I have talked to her many times and cannot find words to console her. Can someone find the words to bring her back into social contact? She has no chance of living a normal life again.

Which of you abolisionists has the courage to face the people left behind? They are victims equally with the person murdered. They never come back. There is a sadness to them that you cannot imagine, an empty feeling that you no doubt will never experience unless, God forbid, you lose one of your own.

The crimes of kidnapping and murder and rape and murder are beyond the imagination of the average man. Anyone who kidnaps and murders, plans it. He planned one or the other act. Anyone who rapes and murders in my mind is little more than an animal, and I have no compassion for him at all, I cannot condone either act, Mr. Speaker, and therefore I support the amendment put forth by the hon. member for Louis-Hébert (Mrs. Morin).

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I spoke at some length at second reading so I do not want to spend much time at this stage and I will make some remarks on third reading. But I do want to deal with the amendment put forward by the hon. member for Louis-Hébert (Mrs. Morin). The hon. member has expressed great concern for those who have been raped and murdered or kidnapped and murdered, and I am in full accord with her in expressing that concern.

I think, quite contrary to the views just expressed by the hon. member for Halton-Wentworth (Mr. Kempling), that we do have great concern for the victims of murder and their families. I have said it time and time again. I do not know where he has been but if he cares to read the speech that I gave on second reading as well as those of

other hon. members he will see where we stand on this matter.

But the question is this: How in God's name do we help the victim or help the family by hanging the murderer?

Some hon. Members: Hear, hear!

Mr. Allmand: If any hon. member on this side or on the other side who supports this amendment or supports the retention of capital punishment can show me how we can help the victim or the family of the murdered person by hanging somebody, I would be happy and willing to consider changing my position. If we study the situation over the years where they applied capital punishment with great vigour in this country and others, it did nothing whatsoever to help the victims of crime. It may do a lot to satisfy the sense of recrimination or revenge, or the punitive nature of man to see somebody hanged or executed for a murder, but it does nothing to help society, does nothing to help the victim, does nothing to help the family.

The hon. member said "Look at the face of a murder victim". I agree, it is a horrible thing. Murder, as killing of any kind, whether by the state, by individuals, or by criminals, is a terrible, terrible thing.

Some hon. Members: Hear, hear!

Mr. Allmand: I agree with the hon. member. There is great sadness, a great loss in the family. I think if we are really serious about doing something about murder we must get to the causes of crime. Let us do something about family life, about the socio-economic causes of crime.

Mr. Yewchuk: Such as what?

Mr. Allmand: Let us do something about public and police protection, the economy, improving the cores of our cities where crime takes place.

Mr. Yewchuk: Why are you not doing it?

Mr. Allmand: We are doing many things and we ask for your support. These things are not easy. They are not open to facile answers. Countries all over the world are looking for solutions to crime. There have been executions for centuries and they did not work. They did not reduce the crime rate.

● (2100)

In Europe now there are only two countries that have retained capital punishment, and those two countries, France and Spain, have the highest murder rates in Europe. France still retains the guillotine, which it has used recently. That country, with Spain, has the highest murder rate in Europe. In the other country, Spain, the garrotte is still used. It is a very pleasant sort of punishment, done in public. They take a man outside and execute him in public. I have a friend who recently watched such an execution. They bring the murderer to an arena, and they put this thing, this garrotte, around his neck and gradually tighten it until they crush his neck and head. Yet Spain still has one of the highest murder rates in Europe. How does this protect society effectively? All we do by executing such criminals is descend to the level of the criminal and go backward on the road of civilization.

The hon. member for Louis-Hébert (Mrs. Morin) has presented this amendment for two reasons. She has suggested that the crimes of rape and kidnapping should be punished with death because they are committed deliberately. She suggests they are committed after planning aforethought and so on. I do not know about that. I am in touch with the RCMP; they come under my department. Not too many rapes are planned in advance. They are usually committed under severe emotional stress, when the accused is under the influence of drink, drugs and so on. They are certainly not planned in advance, and if the victim is killed afterwards, that killing is not planned in advance either.

Kidnapping is different. I think kidnappings are planned, but they are planned so well that the kidnappers do not think they will be caught. There have been kidnappings for years. There used to be kidnappings when kidnapping was an offence punishable with capital punishment. In the case referred to by the hon. member, the kidnapping of Pierre Laporte, there is no doubt that the kidnapping was planned, but all the evidence at the trial showed that there was no advance planning in the killing of Pierre Laporte. The death resulted from a scuffle between Mr. Laporte and his kidnappers, apparently, in which the metal chain around his neck was tightened when he attempted to escape. I am not minimizing the horror of that murder. I am merely pointing out that the murder was not planned in advance, and there was no evidence at the trial to suggest that it was.

Mr. Yewchuk: What's the difference; he died, did he not?

Mr. Allmand: The hon. member is right, he died. We must do something effective to reduce murder in this country. However, as I say, we are deluding ourselves if we think we are doing something effective by returning to capital punishment.

Lots of points were raised about this particular amendment. All I want to say on behalf of the government, as Solicitor General, is that we are concerned about murder committed with rape and about murder committed in connection with kidnapping, but we do not think that this amendment is the way to handle it. There are much better ways. If we are really, seriously interested in this, I suggest to the House that we should reject this amendment. If we accept the amendment we shall extend the area to which capital punishment will apply. We shall be widening the area of violence in this country, and we need less violence, not more.

Mr. Keith Taylor (Churchill): Mr. Speaker, I rise to speak in support of the amendment proposed by the hon. member for Louis-Hébert (Mrs. Morin) who wishes to extend the death penalty to cases involving rape and kidnapping in which the victim dies. I was interested to hear the Solicitor General (Mr. Allmand) trying to defend his stand. He asked a difficult question, to which he has no answer. He asked how we can help the victim by hanging anyone. I suggest that our difficulties today stem from the fact that the government has not had the courage to enforce the laws of this country during the last five years, the result being that no one, including a prospective killer, has any reason to be deterred by fear of punishment or to

think that there is any remote possibility of the ultimate penalty, as prescribed by previous parliaments for taking the life of another person being carried out.

Certainly the victim of a murderer will not be helped after the murder if anybody is executed. However, I suggest that applying the type of law enforcement that the people of this country expect would bring about a sufficient deterrent, and we should thereby make sure that those contemplating murder, at least planned murder, would know that, if they are caught, brought to trial and convicted, they will face the ultimate sanction of this country as prescribed by law, namely hanging.

The Solicitor General dealt with statistics and referred to what is done in France and Spain. I do not have those statistics before me and cannot comment on them. I can say this, however, that the crime of murder in this country has increased by over 100 per cent in the last few years. You can draw your own conclusions from that. Certainly that is a fact of which we are aware and with which we must deal. The legislation as proposed by the Solicitor General will not deal with this effectively.

He asked what effective steps are to be taken. I ask him, in turn, what effective steps has the government taken to deal with the ever increasing number of murders in this country. The answer is obvious if one studies the statistics to which I have alluded.

The position we are in today is awkward and is becoming misunderstood. It is apparent, in view of the government's extension of clemency to those convicted of murder, that the government has no intention of enforcing the laws of this country in cases of capital murder. We all know that a capital sentence has not been carried out for over 11 years, to be exact. The reason for that is that the Prime Minister (Mr. Trudeau) and the cabinet will not enforce the death penalty, but simply use the prerogative of mercy and commute death sentences.

I am not suggesting that the Prime Minister and the cabinet should not have authority to commute sentences. I merely suggest that when it is known in advance how the prerogative of mercy will be exercised, the law in reality becomes meaningless.

In 1967 this House passed legislation that stated that persons who kill police officers or prison guards shall be subject to the death penalty. Since then courts have, in good faith and in accordance with the legislation, imposed such sentence in cases where it applied. However, when each of these cases came before cabinet for review, it was, without exception, summarily commuted. Apparently there was not too much consideration, the cabinet having made a prior expression of intention. The accused in two cases in Manitoba in which police officers were killed had their sentences commuted. That aptly demonstrates that mitigating circumstances apparently are not required before the cabinet will commute the sentence of the cold blooded killer of a police officer or prison guard.

As I said before, I support the continued existence of the prerogative of mercy. However, it must not be invoked automatically, because that effectively makes law without the required legislation having been passed. That, Mr. Speaker, would make a mockery of the law of the land and of Parliament itself.

The government still apparently opposes the death penalty. It seems that it has decided that it is having enough trouble pleasing the electorate without ramming such an unwelcome measure down the public's throat. I say unwelcome because poll after poll has indicated that the people of Canada want the death penalty restored and imposed. However, it only appeared that the government was going to do nothing in this regard when the Solicitor General, at the committee stage, tried to sneak in an amendment espousing total abolition.

An hon. Member: He sneaked it in.

Mr. Taylor: It is a strange circumstance indeed that the Solicitor General should have been the one to put forward such an amendment.

Mr. Allmand: Mr. Speaker—

Mr. Taylor: After all, considering the difficulty—

The Acting Speaker (Mr. Laniel): Order, please. Will the hon. member please resume his seat?

• (2110)

Mr. Allmand: Mr. Speaker, I rise on a question of privilege. I object strenuously to the suggestion by the hon. member for Churchill (Mr. Taylor) that I tried to sneak something in at the committee stage of the bill. When a member exercises his right under the standing orders of this House to present amendments when amendments are to be presented, I do not see how his intentions can be misrepresented by stating that he tried to sneak in something. It was done openly before the whole committee. The amendments were rejected and I accept the ruling of the committee. The hon. member should withdraw his suggestion that I tried to sneak in something.

The Acting Speaker (Mr. Laniel): Order, please. As far as the Chair is concerned, this is debate. It is a question of opinion. It is very difficult for the Chair to pass judgment on remarks by members from one side or the other. The hon. member should be allowed to complete his remarks.

Mr. Caouette (Témiscamingue): Mr. Speaker, I rise on the same point of order. When talking on television on many occasions, the minister said he would present amendments to the House. He has denied tonight almost everything he said. The minister had to withdraw. It was right for him to do so.

Some hon. Members: Hear, hear!

Mr. Bell: You sneaked it in on TV.

The Acting Speaker (Mr. Laniel): Order, please. I feel that hon. members are taking advantage by rising on points of order to participate in the debate. Hon. members may have all kinds of opinions, but we will not make progress unless we allow the hon. member to complete his remarks.

Mr. Taylor: Mr. Speaker, I can certainly understand the Solicitor General being a little sensitive to the debate. He should be more than just a little sensitive when you consider the way this matter has been handled. It was a

very clumsy attempt to do something directly opposed to what initially was the intention of the bill. Of course, we have already dealt with that.

It is very strange that the Solicitor General would put forward the amendment he did, considering the difficulty he has keeping prisoners confined. He should be more aware than anyone of the illusion that is intrinsic when we speak of a life sentence. After the various incidents of late, most notably the much publicized escape of five dangerous prisoners from St. Vincent de Paul penitentiary, it seems that a life sentence today lasts only as long as the individual prisoner, be he murderer, rapist, kidnapper or whatever, wants it to last.

We have been repeatedly told that the death penalty has not served as a deterrent to crime. The reason, we are told, is that a murderer is sick, either physically or mentally, or that his action was a crime of passion, a reflex action.

The hon. member for York South (Mr. Lewis) suggested that increased stress in modern society is the basic cause for an increased crime rate, and that the increase in murders is no more than commensurate with this general increased crime rate. Perhaps such is the situation in certain cases, but not in the cases we are discussing here.

I was amazed at the remarks of the hon. member for Greenwood (Mr. Brewin). He stated that rape giving rise to murder is quite often the result of invitation. He said the so-called victim wishes to vindicate her reputation in some way or another and that charges are falsely laid. We are talking about a victim who is dead. She is in no position whatsoever to vindicate her reputation. Surely hon. members realize the import of that statement.

I am not advocating the use of the death penalty in cases where the killer is sick, acting out of reflex or is unable to cope with the stresses of living. I am talking about cold-blooded, premeditated murder, murder that is planned and in many cases committed by those whose livelihood is gained by committing murder, by illegal activity in the course of which murder is committed. The amendment we are discussing deals with the situation.

The blame for such premeditated acts cannot be laid at the feet of society or on the stress of living in society. Figures have been bandied about by all sides on this question, each side using figures which support their respective contentions. In my opinion, they more or less cancel each other out.

One point must be clear. It has been conclusively proven that the incidence of premeditated murder, that kind which before the introduction of the moratorium would likely have resulted in a death sentence, has significantly increased since 1967. I have indicated to the House that there has been over a 100 per cent increase.

Premeditated murder does not result from increased stress. Rather, it is cold-blooded and calculated. Anyone who would plot such a foul deed as murder, rape or kidnapping would surely calculate the consequences of such an act. Further, he would hesitate if among the consequences of that act was the death penalty. Notwithstanding this belief, I believe there is still valid reason for maintaining the death sentence in such cases.

We hear time and again that capital punishment is not a deterrent to murder. However, the argument seems to stop at that point. No one seems to ask the logical follow-up question, the gist of which is, if capital punishment does not act as a deterrent, what does? The problem is that no practical method of deterrence has come into practice in the Canadian penal system. Similarly, there is no sure method of rehabilitation.

If the Solicitor General could guarantee to the members of this House that any given murderer would never commit another murder, or if he could guarantee that any incarcerated, unrehabilitated murderer would never again be able to escape and mingle in open society, we would have a deterrent. However, while the Solicitor General might make such an assertion, and we have found he is capable of anything these days, he could not honestly do that. There have been too many cases of supposedly rehabilitated murderers killing again and too many prison escapes for such to be the situation.

The people of Canada have a right to be protected as much as possible from killers. Even if you accept the contention that capital punishment is not a deterrent to premeditated murder, it seems a reasonable man must accept that no other effective means of deterrence has been developed. Until the time such a deterrent is developed, capital punishment for premeditated murder will serve a necessary function—the protection of the people of Canada.

We are not talking about using capital punishment for anything but the most deliberate type of murder. While the number of applicable cases is small, it is absolutely essential for the security and preservation of society that the judicial system have the right to mete out the utmost penalty, death, especially since its use is safeguarded by a very thorough legal and political review. For these reasons I support the amendment proposed by the hon. member for Louis-Hébert.

• (2120)

Mr. Caouette (Témiscamingue): Would the member permit a question?

Some hon. Members: Agreed.

Mr. Caouette (Témiscamingue): In the midst of his remarks he talked about the victims of murderers. Would the hon. member suggest that the government give the victims as much money as it is giving to murderers today by keeping them in prison at the rate of $12,000 to $15,000 a year?

Mr. Taylor: I assume that in asking the question the hon. member was referring to the relatives of victims rather than the victims themselves. I certainly doubt that he meant the victims. Certainly this country is far behind in aid or compensation to victims of crimes, and this is one area where society as a whole does have a responsibility.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have not taken part at all in this debate at any of its stages up to now, but I feel compelled to make a few remarks at this juncture on the amendment put forward by the hon. member for Louis-Hébert (Mrs. Morin). I would like to congratulate the hon. lady on her initiative in this regard because the amendment is a thoughtful one, and because it

goes without saying that some of the most heinous murders are committed in conjunction with kidnapping, frequently when kidnappers extort sums of money after having kidnapped a child, and on many occasions the child has then been murdered in order to get rid of a possible witness against the criminal.

However, this amendment, like almost every concept having to do with this very important question of capital punishment and whether it is a fit punishment for murder, hinges on the very important question; what is the right thing for society to do in such situation? What about the sanctity of life? If there is such a thing, how do we interpret it and what does it mean?

I have assumed that even the most ardent abolitionist works on the premise that the occurrence of frequent murders in our society is (a) not a good thing and (b) an indication that there is some deficiency in our society and level of civilization, or in our system of justice, or both.

Because I frequently hear these same ardent abolitionists glibly advocating abortion on demand, even that premise is a bit shaken in my mind. If one regards life as sacred, it is sacred even in the case of the defenceless who cannot speak for themselves. I cannot prove this, but I think the advocates of abortion on demand are biased. I cannot prove this but as a lawyer would say, there is strong circumstantial evidence to indicate that those who advocate abortion on demand have themselves already been born. Therefore, I believe if the unborn could speak they would demand the right of life. This is a sort of an aside to this general question of the sanctity of life and how society should deal with those who take it upon themselves to extinguish the life of one of their fellow citizens.

I suggest it seems inconsistent that an abolitionist as far as capital punishment is concerned should at the same time support the concept of abortion on demand. I suppose in fairness the other side of the coin may, too, seem inconsistent. For example, I believe that the life of the unborn, the fetus, should be saved if it is at all possible, yet I do not believe that capital punishment should be abolished, at least not in every case. Perhaps some people would find a contradiction in that. If I have regard for the sanctity of life in the case of an unborn, why do I not regard the life of a murderer so highly that under no circumstances or system of justice should it be taken away, no matter how heinous his crime might be?

We hear a great number of expressions, such as capital punishment being ritualized murder carried out by the state, that capital punishment is no more civilized an act than murder itself. I do not agree with that sort of woolly and confused thinking. Let us look at the situation. A citizen of this or any other country could live in the most circumspect way, a model citizen in every way, yet he cannot protect himself against the possibility of being murdered in cold blood. He may be perfectly innocent of crime of any sort yet become the victim of a cold-blooded murder.

How does one avoid being murdered? I suggest when murder is as frequent as it is it is impossible to guarantee one can avoid being the victim of a murder. If capital punishment is ritualized murder carried out by the state, is that possible to avoid? I suggest that it is. All a citizen has to do is avoid murdering, as capital punishment will then never apply. This is the basic difference. If one lives in a civilized or even semi-civilized fashion he need have no fear of the rope ever, and this is something we should bear in mind.

In addition to that, we take pride in the fact that our legal system and its traditions are based on the British system of justice in that no one is considered guilty until proven guilty. Or, putting it the other way around, everyone is considered innocent until proven guilty.

● (2130)

The whole structure of our law seems to be heavily balanced on the side of justice for the accused, so that as seldom as possible is one convicted of something of which one is innocent. The whole legal system is designed to give the benefit of the doubt to the accused. I think everyone would agree with that statement. Even when capital punishment was imposed as part of our law to a greater extent than now—indeed, it has gone out of style entirely so far as this government is concerned—many murderers were not convicted of murder because the evidence against them was not conclusive. They were given the benefit of the doubt, and that is as it should be.

However, what about the victim? The victim is not given any chance at all. He has no defence. The victim usually suffers terrifying and lonely death. There is no press or TV to cover the horror, agony or terror the victim suffers in his last moments. But when someone is accused of a crime, his name is on the lips of everyone who watches TV or reads the newspapers, with the result that the public is far more aware of the accused than of his victim. The victim of a gruesome murder receives about as much attention as a bridegroom at a wedding. He is just there; he does not receive the attention of the TV or news media or of the general public.

I think if there is any shred of mitigating circumstance, public sympathy tends to build up for the accused. He is the centre attraction in the legal process over a long period of time. He is given the benefit of every doubt. He has the right of appeal, and reappeal in many cases if the decision is against him. Many of these murders are cold-blooded and premeditated. Some of them are carried on in conjunction with organized crime as a matter of course.

A great deal has been said in this debate about statistics in an attempt to prove whether or not capital punishment is a deterrent. I think statistics of this type covering a short term are unlikely to prove anything in a convincing fashion. A period of five years may be a very short period. I do not believe there is any evidence from the statistics to indicate that the abolition of capital punishment would reduce the number of murders. However, there may be a time lag in respect of the effect.

As a society we know far too little about human behaviour in the scientific sense. I think we know far too little concerning the root cause of crime and why criminals are criminals. We know too little about what effect our clumsy ad hoc methods of dealing with criminals have. In this state of affairs I do not believe we can rest happily on the assumption that if we treat criminals kindly, generously and softly, criminals will disappear. That does not necessarily follow.

I believe the effect in respect of the abolition or retention of capital punishment is a long term one. I think there is an effect in respect of society's attitude toward crime in the general sense. For example, if a youngster knows that someone can carry out a cold-blooded murder, be committed to a penitentiary for a few years and then be let out on parole and become a member of society, naturally the notion grows up in that youngster's mind that, after all, murder is not such a serious thing and that perhaps in some circumstances it is an option one has.

On the other hand, a few decades ago when capital murder was considered a heinous crime and a murderer was beyond the pale so far as society was concerned, very few of the rising generation had this kind of attitude. With the permissive attitude we have today murder might be thought of as being sort of smart, at least among members of certain gangs, especially in large metropolitan areas. What I am saying is that the general attitude of society toward crime makes an imprint on rising generations with regard to what is or is not acceptable conduct.

Now, of course, there is a wider question with regard to what society should do, not only in respect of those who commit murder, but also in respect of the apparent growth of crime generally. It has been a long, slow, painful struggle for humanity to reach even its present level of civilization. On occasion the human race does not, even now, exhibit a high level of civilization. We have still a long way to go. All the accumulated wisdom of the ages so far as civilization is concerned must be transmitted to each new generation in the formative years of childhood. That is a tremendous, awe-inspiring responsibility, or it should be, on the part of parents, schools, churches and every other organization which has some responsibility in transmitting civilization, hopefully improved, to each new generation. It takes only one brief breaking of the link for that civilization to become degraded, and sometimes I feel—I hope I am wrong—that we have been living in the last few years in an era of permissiveness and have lacked knowledge about human reactions to living in large metropolitan areas, as unnatural a habitat for man as it is for animals.

• 2140

A few elementary sociological studies have been done in some large universities which indicate that some of the trends in society today are caused by the environment which society has created for itself. For example, in some cities in the United States they have discovered the alarming fact that the crime rate is in direct ratio to the height of the buildings in the city. That seems very strange but nevertheless it is a fact. We do not know enough about the effects of crowding on human beings, for example. I would like to see a great deal of basic research carried out in the field of human behaviour so that we could gain a better idea of what produces criminals and try to eliminate the causes at the root.

However, since we do not have these facts, I think it is foolhardy and unreasonable to pass laws which, in effect, would allow individuals the right to terminate the life of another individual and not suffer an equal deprivation themselves. I believe that this is true in the case of cold and calculated murder. I believe that at least until such time as we have a stronger scientific basis for adopting another course we should retain capital punishment for the worst crimes, and for that reason I support the amendment proposed by the hon. member for Louis-Hébert.

[Mr. MacLean.]

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, the topic of capital punishment is a matter of concern to all members of the House. Probably many of us feel that under the circumstances, with so many other pressing matters demanding our attention, this may not be the best time, in terms of absolute priority, to discuss this matter. However, it is not for me to quibble about the priorities of the House, and in speaking to the amendment of the hon. member for Louis-Hébert (Mrs. Morin) I should like to state at the outset that, in my opinion, it is a reasonable and constructive amendment and I intend to support it.

It seems to me that in instances where death follows rape, attempted rape or kidnapping there is always a great deal of premeditation in the committing of the crime. It is not the type of crime that is usually committed impulsively, in a spirit of anger, or for any other reason. This amendment is very necessary if we are to make a distinction between cases where the death penalty should or should not be imposed. On the basis of the experience I have had I am not at all certain that a valid case can be made for making such distinction when murder has been committed.

Under our legal system which has been evolved over the centuries, mostly based on English common law, a great many safeguards are built into the system in the case of people who have taken the life of another, without making distinctions between the specific acts of the persons involved. I am thinking of some of the more recent defences in which the concept of automatism has received judicial approval. Of course, insanity is always raised when one person takes the life of another, and in serious cases involving murder it has become almost automatic for the accused person to be sent for observation to a suitable institution to determine whether or not he is truly able to understand the nature of his action.

In my understanding of the reasoned speech made by the hon. member for Malpeque (Mr. MacLean), he was saying, in effect, to paraphrase Winston Churchill on another topic, that perhaps the mild and ameliorating influence of education and the increasing moral responsibility of society will ultimately create a social climate which will make this type of legislation not such a pressing issue in society.

In other words, as I said earlier in the House when we were discussing the subject, when society changes, when more comprehensive administrative and legal procedures are evolved through experience to rehabilitate and supervise people on parole, and when the necessary adjustments are made in our legal system, perhaps at that time we can vote in all conscience to abolish the death penalty once and for all. However, I do not believe that the time is yet right, and for that reason the amendment of the hon. member for Louis-Hébert deserves the attention and support of all members of the House.

I should like to go back to the religious context for a moment. It has been said that the idea of a fire and brimstone hell may be scientifically silly, none the less it has kept many bad people good. It seems to me that the

same analogy applies to the criminal law and to such deterrents as the death penalty. I believe it was the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) who, in a speech earlier in this session, referred to a transcript of a trial in which he either participated or of which he had knowledge.

He spoke of the murderer being confronted by officers of the law while he had a loaded gun in his hand. However, he did not pull the trigger and was heard to say words to the following effect: "What do you think, that I am crazy or something to shoot you? You are an officer of the law and if I shot you I would be liable to receive the death penalty for killing a policeman." If this is actually true—and we have no reason to doubt this—we must remember that there are many such cases across the nation, and this in itself should make us pause to see whether or not we are doing the right thing at this time in moving toward the abolition of capital punishment or the reduction of cases for which the death penalty is imposed, no matter how heinous the crime might be.

● (2150)

I would like to say at this time that, of course, I respect the motives and the views of those who have an opposite opinion from that put forward by myself and those of us who are not in favour of softening the penalties for capital crimes to any great extent. I have great personal regard and respect for the Solicitor General (Mr. Allmand). None the less I feel that this matter may have been handled unfortunately in committee, something which may have changed the atmosphere in which many of us considered the motives and weighed the pros and cons of this legislation. I feel that he and the government would have been acting in the better interests of Canada had they, in the first instance, brought in an outright abolitionist bill, rather than attempting to make such drastic changes after the bill had been considered on second reading in this House.

As far as the priorities are concerned, again it seems that we could go on considering amendments such as the one we are now discussing. We could talk a great length on these amendments. We could talk on other amendments, which I understand may be introduced. We could continue on third reading. We could discuss all the ramifications, pro and con, all summer. Yet if we do this we are neglecting very urgent priorities that should demand the attention of the House, priorities and pieces of legislation that, ironically enough, we were considering at the time the House was adjourned for the summer not much over a year ago. At that time we were considering electoral reform, family income security, and matters of that nature.

Returning to the debate being held this evening, as the hon. member for Malpeque (Mr. MacLean) said so ably, until we have determined exactly what is the basis that makes capital crimes so prevalent in this nation, what makes them at least appear to be on the increase, until we are sure that there is no particular merit in the concept of deterrence, then I suggest that amendments such as the one moved by the hon. member for Louis-Hébert (Mrs. Morin) should be considered seriously. The whole concept of capital punishment must remain before us. It would not be in the best interests of the nation, or indeed of this House, to continue to erode the traditional methods that have been found tried and true over the years in dealing with capital crimes.

Again, Mr. Speaker, I say that our legal system provides, in the form of trial by jury, preliminary hearings, and all the other safeguards, every opportunity for an accused to establish not only his innocence but the various degrees of culpability that may have caused him to commit the act with which he is charged. This is all the more so at the present time when one considers the assistance given by both federal and provincial administrations through so-called legal aid funds, so that an accused person has no longer to contend with the former situation where, in effect, he was throwing himself on the charity of the local bar society to provide his defence. Through the means of legal aid he can now get a solicitor of his choice, an experienced criminal lawyer, to avail himself of the many defences, some of which I have enumerated, which he may be called upon to put forward to justify the act for which he is charged.

As I said at the outset of my brief speech, I have no hesitation in supporting the amendment and I compliment the hon. member for Louis-Hébert on her sagacity and concern in bringing it before the House at this particular time.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in this mid-summer of madness we are engaged upon, it seems odd at three minutes to ten o'clock to be talking about these facts; but we are here, we cannot go back, and we must do what we have to do. I am going to vote against the amendment. What I have said in the past would indicate that. However, I have a few comments to make.

I just want to point out one thing on the technical aspects of the matter. I give credit to the hon. member who introduced the amendment. I think she was working towards a very logical and laudable conclusion. But if this amendment were to pass, from the point of view of the courts it would create almost a monstrosity.

There are two criminal offences involved. First, there is the criminal offence of rape, which would have to be established, and like any other criminal offence it would have to be established beyond any reasonable doubt. One of the general principles in law with regard to any offence charging rape is that it is necessary not only to prove the offence beyond a reasonable doubt but, in cases of this kind, it is essential that there be also established some form of corroboration in certain material respects. It would therefore be essential to prove rape had been committed, or attempted rape had been committed.

I know from my own professional experience how exceedingly difficult an offence like this is to prove. I am not saying it does not occur quite frequently, but to prove it along the lines which the law would require to satisfy the onus of proof is a very difficult thing. So one would have to prove beyond reasonable doubt that rape was committed, and also in some material way that there was corroboration of that particular offence.

In addition to that, one would have to prove a murder had been committed by the person who is charged, and that murder in turn would have to be established beyond any reasonable doubt. I am not saying that the fact that it

is difficult to establish an offence does not mean we should not, if we in our wisdom think it is essential, put it on the statute books—

Mrs. Morin: It is not difficult to prove when it is a four year old.

Mr. Baldwin: That may well be, but I am just saying that no matter how difficult it might be, that alone should not deter us if, in our wisdom, we come to the conclusion that we genuinely believe there should be an additional crime in respect of which capital punishment should be inflicted. But I thought I owed it to the House, before calling it ten o'clock, to deal with the difficult aspects connected with proving such an offence, and to point out the very serious difficulties involved in prosecuting an offence of this kind. Mr. Speaker, may I call it ten o'clock.

Mr. Speaker: Before the Chair accepts the hon. member's calling of ten o'clock I might be allowed to refer to the discussion which took place earlier today, and also on Friday last, with regard to the application of Standing Order 75(11) in connection with the deferring of votes. The Chair indicated at the time that I would give the matter serious thought, and that also I would listen to comments or advice which might be given to me for guidance of the Chair.

Having followed the debate today and the discussion of Friday afternoon, this has led me to the conclusion that there is really nothing to justify changing the practice which has been established over the months and the years to defer a vote. Hon. members know that this is a practice which has evolved during the last few years under the terms of Standing Order 75(11), so that when there are a number of motions at this stage of proceedings the votes are deferred.

● (2200)

I would think that, in the circumstances, the Chair would be required to follow the practice which has been established. At the same time I would indicate to hon. members that, if there were to be some degree of agreement on this particular point that we follow a different practice, I would, of course, accept the unanimous suggestion or general suggestion of the House. For the moment, however, I suggest to hon. members that I have no other alternative than to follow the long established practice.

The hon. member rises on a point of order?

Mr. Lawrence: Mr. Speaker, I was wondering if you are inviting comment?

Mr. Speaker: No, I am not inviting comment because I received comment, particularly from the hon. member, last Friday and it is taking into account the hon. member's comment that I have commented as I did.

Perhaps I should add that to some extent this is theoretical, or hypothetical, because the Standing Order does provide that when a recorded division is called the Speaker may then call for a deferred vote. Of course, it has not been called yet, but that is when the decision of the Chair would be announced. It was felt, because of this interest, that the Chair should indicate for the assistance of all hon. members the way I tend to think at the present time.

[*Translation*]

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

Does that mean that the vote on the amendment now before this House would be postponed in order to put it to the vote at the same time as the next one to be studied by the House?

Mr. Speaker: That was the suggestion made last week and which I am again making to hon. members, namely that the two amendments be put to the vote consecutively. The motion of the hon. member for Louis-Hébert (Mrs. Morin) would be first, followed by that of the hon. member for Northumberland-Durham (Mr. Lawrence).

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

NATIONAL CAPITAL COMMISSION—ALLEGED NOTIFICATION TO MUNICIPALITIES THAT DUMPING ON ITS LANDS WILL BE PROHIBITED IN 1974

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, on June 8, 1973, as reported at page 4575 of *Hansard*, I asked a question of the Minister of State for Urban Affairs (Mr. Basford) about the growing concern of the people generally in the national capital area with respect to problems affecting waste management disposal in the area. I asked the minister specifically whether the national capital commission had notified the municipalities within the area that dumping on its lands would be prohibited in 1974 and, if so, what was the cut-off date for that order. I am quoting almost exactly, Mr. Speaker. The minister at that time indicated that he would take the matter under advisement.

Subsequently, I had a letter from the general manager of the national capital commission which indicated that there was indeed a problem with respect to the dumping of garbage on national capital commission land, that the land presently being used in this area was being very quickly filled, that by 1974 it would in fact be rendered useless from the point of view of land fill, and that consideration had been given to other methods of disposal.

One of those methods of disposal unfortunately, according to sources that I have, is the acquisition of further dumping ground elsewhere within the regional municipality of Ottawa-Carleton. Speaking personally, Mr. Speaker, this concerns me greatly because I think it is really a perpetuation of what is generally regarded as self-destroying and a non-modern practice of waste disposal.

The national capital commission, however, did indicate to me that they were considering a technical process of waste disposal, one involving incineration, that they had indeed suggested to the regional municipality of Ottawa-Carleton and perhaps to other municipalities that there was a process available, and that it would be available to the relevant municipalities within the regional municipality of Ottawa-Carleton. I think this is very important, and not only from the point of view that the national capital must prove itself to be a leader with respect to urban problems, only one of which is waste disposal. The national government ought to give some meat to the attitude that it would like to project in the country, an attitude showing it is interested in urban problems.

I hope the parliamentary secretary's answer tonight will show for the record that the government is considering the technical process of incineration; that the federal government is preparing to finance or fund out of the federal treasury a major proportion, at least, of a pilot project; that the national capital of our country ought to be a leader with respect to municipal services available in this area, and that there will not be any consideration of land acquisition so that municipalities will not need to acquire large tracts of land for 20 years duration, such as is the case with respect to the site south of the Jock River in Nepean township. That, I understand, was one of the considerations brought forward in a consultant's report.

I emphasize to the government through you, Mr. Speaker, that the government should not stop with the national capital area in the funding of programs of this nature. It should as well consider making available this expertise, this technology and, more important, similar funding for these vital municipal services to other large cities across Canada, such as Toronto, Hamilton, Vancouver and Montreal, which are experiencing great difficulties in this area. I hope we shall never see in the national capital area what we are seeing in the metropolitan Toronto area. The garbage and waste from the metropolitan area is being trucked out and deposited in other municipalities. As I said at the outset, this is a self-perpetuating, self-destroying system of waste disposal.

If the answers by the parliamentary secretary to the questions which I have asked in the course of this debate are in the affirmative, I urge the government to give permission to other municipalities to apply for similar funding, so that we may attack on a national basis one of the problems that is affecting municipalities and, particularly, the municipalities within the regional municipality of Ottawa-Carleton.

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, the NCC has been assisting the city of Ottawa for the past nine years by providing approximately 109 acres of land which is used as a garbage dump and operated as a sanitary land fill site. The ten-year legal agreement for use of this NCC Greenbelt land expires December 31, 1973. The users are fully aware of the expiry date and have been advised that alternate disposal methods must be considered for the future. The capacity of this land fill site is nearly exhausted and another area for sanitary land fill or an alternative means of disposal must soon be found.

Realizing that the problem of waste disposal is of regional concern and that similar problems are being faced by cities and regions across Canada, the NCC, together with MOE, the Municipal Regional Councils of Ottawa-Carleton and Outaouais, have financed a comprehensive study by consultants of waste disposal in the national capital region. The study is to make recommendations for waste disposal with due regard for the protection of the environment. All modern methods of disposal are to be considered, including incineration.

I might add that there are a number of municipalities across the country which would like this type of test facility. The hon. member for Grenville-Carleton (Mr. Baker) makes a good case for the Ottawa region, but he must realize that there are many members from across this country, myself included, who would like to see this kind of test facility installed in their regions, at the expense of the national taxpayer. Ottawa seems to get quite a few of these items. It is worth reminding members from the Ottawa region that there are others in this country who would like a national contribution of this kind in their areas once in a while. In saying that I speak not as the parliamentary secretary but as the member representing Laprairie.

This phasing out may occur sooner than 1975, with the existing sites being covered with soil, landscaped and made into an area suitable for future reforestation. It should be emphasized that the NCC is not prohibiting waste disposal and dumping, but that the agreement will have expired by the end of this year, that the site is full and better solutions have been found for the disposal of waste on a regional basis.

Accordingly, it might be said that there will ultimately be a solid waste disposal system in the regional municipality of Ottawa-Carleton. Recognizing this, the NCC and the Department of the Environment are concentrating their efforts in this regard.

● (2210)

HOUSING—ALLEGED POOR CONSTRUCTION OF BAL-MAN HOMES, MEADOW LAKE, SASKATCHEWAN—REQUEST FOR INVESTIGATION

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, this afternoon I asked the Parliamentary Secretary to the Minister of State for Urban Affairs (Mr. Watson) whether, in view of the fact that Bal-Man Homes Ltd. built some homes at Meadow Lake, Saskatchewan, of substandard quality, and in view of the fact that this company has not paid some of the subconstractors, this resulting in mechanics liens being registered against the homes, the minister had requested the Saskatoon office of CMHC to conduct a full scale investigation of this matter to ensure that the home buyers are protected. In his wisdom, Mr. Speaker ruled that this question was out of order. Of course, I accepted that. He invited me to participate in the debate tonight which I am doing.

If I had been allowed to ask a supplementary question, it would have been something like this—I hope the parliamentary secretary takes note of it. Is it the policy of Central Mortgage and Housing Corporation to require borrowers to pay interest on the full amount of mortgage, in spite of the fact these borrowers have not received the

full amount of mortgage money because of a holdback due to improper finishing of a home?

This may sound like a minor problem, but seven householders in one town have complained to me on various occasions. The minister's office has received some letters about this problem, dating back some time. To top it all off, I received a telegram this morning urgently requesting some action on this matter. I feel that action is required.

I spoke to several of these householders over the telephone. I have a rough transcript of what one told me. During 1970-71 and 1972, Bal-Man Homes of Saskatoon built several houses in Meadow Lake. He understands there were several built in other centres, including Biggar, Rosetown and Saskatoon. He said he does not know much about the ones in other centres, but in Meadow Lake it appears the houses are basically structurally sound. However, substandard workmanship did go into the finishing of these houses in many instances. There were things like paint jobs with inadequate sanding, inadequate covering of the material on the gyproc, and so on. Initially, the CMHC inspector passed these homes. He took exception, stating that this was not correct, that the houses had not been painted properly. The inspector came and inspected them and agreed it was not up to standard.

He wrote to Bal-Man Homes and CMHC, but to no avail. Approximately two months after they had moved into their homes they started getting notices from the land titles office in North Battleford that mechanics liens were being placed against the homes by different contractors such as roofers, plumbers, suppliers of materials and so on.

They asked the CMHC lawyer in Meadow Lake what could be done. No one got a satisfactory answer except that it appeared they would have to pay off these liens. They wrote many letters and received a different answer each time. Sometimes they were told they could take legal action against Bal-Man Homes. At other times they were told that Bal-Man Homes was bankrupt, or there was impending receivership and legal action. They were told their statutory declaration was signed to the effect the work was completed and paid for before CMHC approved disbursement of the funds. It seems odd, though, that CMHC did not insist on having receipts as well as a statutory declaration from the contractor. He said they had contacted the manager and assistant manager of CMHC in Saskatoon but had not managed to get any satisfactory answer as to what effect these mechanics liens would have on them. One person was told to forget about them, that they did not mean anything. Others were told that the mechanics liens would stay on indefinitely and collection made either before or at the time of sale.

He said they were paying CMCH the full amount of their mortgage payments, or were until July 1 when he discontinued until he got some satisfaction. He said he notified the minister that he was doing this. He said that CMHC continue to tell them they will have to wait until a trustee is appointed and an investigation conducted, that an investigation is being carried out and that eventually their homes will be fit to live in.

In many cases he said they could not afford to wait. There are three who are subject to immediate transfer by their employers, one to be transferred on August 1. He must be able to sell his house to some one else with a clear title, except for the CMHC mortgage, in order that he can move and recover his investment. There has just been no action on this at all.

He said they are waiting for the finishing to be done on these homes; they have piles of dirt in the front yards, the shingles on the roofs are not properly fastened down and the venting is not completed properly. He suggested that small things like this will cause the homes to deteriorate and that they have no money right now to fix up what they have already paid for through their mortgages.

I understand the money was loaned directly by CMHC for the purpose of building low-income homes on speculation by Bal-Man Homes Limited. Furthermore I understand that money was held back as homes were not adequately completed, but that the borrowers had to pay interest on the entire principal. I should like to have some comment from the parliamentary secretary on the matters I have raised tonight.

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, in replying to the subject matter raised, the 11 units in Meadow Lake are being built under the assisted home-ownership program, the builder having obtained speculative loans under the program. The 11 units have been sold with the majority being occupied by the purchasers who have been making payments on the mortgages.

Final inspections have not yet been made on any of the houses and the corporation has mortgage moneys on hand sufficient to complete the houses should the builder not be in a position to do so. Under these circumstances the purchasers are not in any danger of losing their equity or the money paid on monthly mortgage payments. I am sure the hon. member will be happy to be able to assure his constituents of that fact.

Incidentally, the purchasers would also be eligible for assistance, as I mentioned privately to the hon. member this afternoon, under Section 8.1 of the new legislation, Bill C-133, although there would seem to be no reason to expect in this case such assistance would be necessary as CMHC has withheld funds.

Although purchasers are making full monthly payments on their mortgages, even though all mortgage moneys have not been advanced, they are not in the final analysis being called upon to pay interest on money not advanced—and this the hon. member can report to his constituents as well—because interest credits will subsequently be made to their accounts.

The hon. member will also be interested to learn that the manager and assistant manager of CMHC, the Saskatoon office, are meeting the purchasers in Meadow Lake on the evening of July 24, that is tomorrow night, for the purpose of reviewing the situation and answering the questions of the homeowners. This afternoon I asked CMHC officals to ask their people in the field to exert maximum pressure on the builder and whoever is responsible there to complete these houses, remedy the deficiencies which apparently do exist and try to bring matters up to the satisfaction of the purchasers.

INFORMATION CANADA—SUGGESTED DISBANDMENT—GOVERNMENT POSITION

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my comments tonight arise from a question I asked on Friday last of the Minister of Labour (Mr. Munro) concerning Information Canada. I asked it in light of the Prime Minister's expressed view that the agency was now regarded as a propaganda machine and it was going to be disbanded. The minister lamentably replied it was not.

I want to cite three particular reasons for disbanding Information Canada. The first is the waste involved, the second is partisan abuse, and the third, the most important, is the view that it is simply an improper power for the government to have at this time.

● (2220)

I want to deal first with waste. When the Prime Minister (Mr. Trudeau) introduced Information Canada during the 1970's, he said:

The object will be to increase effectiveness as well as to save money by reducing duplication in the use of staff and equipment and by better joint use of the government's information resources.

I want to draw attention to two particular phrases; the first "saving money", the second, the idea of "reducing duplication". Since the establishment of Information Canada, nine departments alone have increased their own internal information budgets from $19 million in 1970-71 to fully $36 million in 1972-73, almost a doubling of expenditure. There was a commitment at that time that only 150 individuals would be associated with the on-going activities of Information Canada. Now there are 192. There was a commitment then that there would be only 25 information officers; already there are 38.

What is worse, Sir, is that despite this waste and growth Information Canada is not doing its job. Most members in this House are acquainted with the slowness of the agency. Far more important, the director of regional operations said in May of this year that the program, which is designed to reach out to the 43 per cent of Canadians whom the government considers do not know what is going on in Canada, is not working. One of the reasons it is not working is this; the government is running offices of the kind these people never reach. As a bold new initiative they are sending out a salesman on a bicycle in Nova Scotia to try to acquaint people with the work of Information Canada and to drum up business. That is a complete confession of failure of the agency. Much more stark is the Prime Minister's statement the other day. One other indication of that is that Information Canada, which was presumably created to meet a public need for information, has now had to set up its own public relations bureau to create that need that it was designed to meet.

Mr. R. A. J. Phillips, the former deputy director, in a document which the present director said was "never supposed to be published" said, and I quote: "It is urgent to consider some projects to justify our budget and existence." The upshot of that was that he was moved out of Information Canada to a safer haven. That is a clear example of the outright waste that exists in Information Canada. The greatest effort now is to create a demand for its services and to consider some projects to justify its budget and existence.

I want to make a quick reference to partisan abuse. The first director was a very prominent Quebec Liberal who has now moved out. I think probably that capacity has diminished somewhat, and once the suspicion that there is partisan abuse subsides it will be used for party purposes again.

So beyond the waste and beyond the capacity for partisan abuse, what is really wrong with Information Canada is that it represents a power which it is improper for a government to possess. However it is disguised, it is a means by which the government seeks to impose its particular view of what is right and what is real. It is, to use the Prime Minister's phrase, a "propaganda machine". That is clear whether you accept the official defence that there is a "right to know" among the 43 per cent of Canadians whom the government believes did not know much about what is going on, or whether you need the more frank defence, which members of the government party have expressed to me privately, that the government has to have a better means of reaching Canadians than relying on those guys in the Press Gallery. It is, in short, an attempt to get around the normal filters of democracy; an attempt not to present information, but to manage it.

The failure so far of Information Canada does not make it any less sinister, because the government is determined not to let it fail. That was the clear purport of the statement by the Prime Minister, who proposes to conquer the west by reforming Information Canada, and the response by the Minister of Labour that nothing is wrong with what the government is doing. That betrays the complacent, persisting view that nothing is wrong with what the Liberal government has done; the only fault is in telling. All that is needed is a better propaganda machine.

I wish to suggest in passing that if there were a genuine desire to inform Canadians, the government would not hide so many documents, or avoid so many inquiries, or stamp "secret" on so much public business.

Information Canada must be seen as part of the overweighted capacity of the government to influence opinion and restrict options in Canada. It is a clear example of adding power to the powerful. The native people of James Bay have no Information Canada, nor does the small businessman quietly going broke, nor the legions of the unemployed, nor the old. The weak have no weapon. Even the parties in opposition in Parliament have no Information Canada, no powerful means to present an alternate view. Indeed, while the rules of Parliament have been changed to weaken the opposition, Information Canada has been created to strengthen the government.

That is the context in which the idea of Information Canada is truly alarming. It is a terrible waste when it does not work, as it does not work now. But if the Prime Minister (Mr. Trudeau) ever upgrades it, if he ever succeeds in creating the kind of propaganda machine he wants, there will be less freedom of opinion, less examination of options that we need to survive as a modern democracy.

This question should not end here. I hope the government will have sufficient honesty to refer to the parliamentary committee the whole question of the imbalance of power to influence opinion and express opinion in Canada,

instead of staying with Information Canada which is designed to make that imbalance worse.

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, Information Canada activities related to the reinforcing of the federal presence are as follows. Federal inquiry centres and bookstores have been established by Information Canada in prominent locations in Canadian cities, namely, Montreal, Ottawa, Halifax, Winnipeg and Vancouver. Each is clearly marked with the bar and leaf federal symbol. Some 500,000 inquiries were received last year and the rate is increasing some 20 per cent a year.

Plans for the current year call for the opening of federal inquiry services in the hon. member's province of Alberta, in Saskatchewan, New Brunswick, Prince Edward Island and Newfoundland. Once in place, it can be expected that many more thousands of citizens will avail themselves of the services offered and thus become more aware of the federal presence in this country.

In both Manitoba and Nova Scotia Information Canada is currently working with the regional offices of other federal departments on a development plan to strengthen and support the relationship between the federal government and the people, and in so doing is, of course, extending the federal presence beyond the urban centres to areas where the need for communication is every bit as pressing. Through the activities of the mobile information offices and federal offices, the presence will become manifest in areas previously rarely reached.

Through the launching of the federal identity program, the largest such corporate identity undertaking in the world, Information Canada has made the bar and leaf symbol the sign of the federal presence from one end of Canada to the other. It is seen everywhere on federal buildings, vehicles, aircraft, uniforms, post boxes and so forth. Over 50 federal departments and agencies incorporate the bar and leaf symbol into their letterheads, press releases, on the cover of their publications, and each time it is seen it is recognized as a manifestation of the federal presence.

Given the opportunity to continue the development of its citizen's inquiry service, which is probably unique in the world, the federal presence will become even more manifest in all corners of this country. But it cannot happen overnight and it cannot happen if the agency is not encouraged in its work.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, July 24, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Speaker: Order, please. Yesterday the hon. member for Cochrane (Mr. Stewart) sought to move concurrence in the report of the Standing Committee on Broadcasting, Films and Assistance to the Arts. The Chair expressed reservations about a procedural aspect of the report, more particularly in relation to the form of the recommendation of the committee. I undertook to look into the matter more closely. It now appears that the French language text of the report was correct as to form. The chairman has agreed to make the necessary correction to the English text so that the recommendations of the committee are now couched in the required words to the effect that the committee recommends that the government give consideration to the advisability of taking certain action. The hon. member may therefore proceed with the motion.

Mr. Ralph Stewart (Cochrane) moved that the second report of the Standing Committee on Broadcasting, Films and Assistance to the Arts, presented to the House on Monday, July 16, be now concurred in.

He said: Mr. Speaker, there is an agreement that there will not be a debate on this motion and as chairman of the committee who put forward the motion it is my duty to make a *mis au point* with regard to the reporting of this matter in the press because of the importance of this subject. I would commend the body of the report not only to hon. members but also to the press because in it is contained the substance of what was discussed in the committee. It was the feeling of the committee that, although a complete ban on children's advertising would not be the route to follow, the CRTC will be asked to regulate in such a way that there will be no direct advertising exclusively aimed at children; in other words, that it be aimed at the parents. This is something that should be well understood because, although it was not possible for the committee to prove scientifically that there was actual harm to children, it was considered that an exploitation of children exists when advertising is directed to them, and this is not at all desirable.

Some hon. Members: Hear, hear!

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I must say that, since the hon. member for Cochrane has moved concurrence in the report, and since there is to be no debate on this motion—I do not know how much consultation there has been with other members of the House—as a member of the committee who attended the committee meetings for over a month, it was unfortunate that I had to be away when the report was drafted, I believe, in one session late Friday afternoon. I did not really have a chance to put forward many of my views on the report. I must say that the report which I finally saw covers many of the interesting points that were advanced in the testimony before the committee, but I cannot agree with what the chairman of the committee just said or what is set out in the report regarding the use of the word "exploitation". If we are to refer to exploitation in connection with advertising, depending on how exploitation is defined, we can say that there is exploitation in any and all forms of advertising.

Some hon. Members: Hear, hear!

Mr. Nowlan: I know my friends to the left, and friends farther left than that—

Mr. Baldwin: Where?

Mr. Nowlan: —are the first to use the term "exploitation of the masses" and other such terms ad nauseam and ad infinitum.

Some hon. Members: Hear, hear!

• (1410)

Mr. Nowlan: What I do not like, Mr. Speaker, is the unseemly haste both in drawing up the committee report after a month's long debate, and in this move for concurrence today. I did not see any notice of any committee meeting, although the steering committee may have met and decided to move concurrence in the report today. But still I do not quite understand why the move has been made today.

If such a term as "exploitation of children" can be applied to television advertising, I would point out no one has a monopoly on children and on what happens to them with respect to television. I have four children myself. That does not quite tally with the numerals of the hon. member for St. John's East (Mr. McGrath) and the hon. member for Cochrane (Mr. Stewart), but I would point out that children are exploited by their parents anyway, at least up to the ages of four or five, so that they may start to learn some of the guidelines laid down for adulthood. I do not believe that eliminating television advertising will necessarily be the cure for this problem. As a matter of fact, I think the committee missed a golden opportunity to put the CBC right on the spot. If it is to act as a public

network I do not believe there should be advertising on the state system. The state pays for that system.

We do not have a distinctive Canadian television system right now. Canadian radio is distinctive, but not television, and if we are ever to have a distinctive Canadian system I think we could have taken a small step forward by having no children's advertising. Let the state system be supplied with funds, either through underwriting or in some other way, to make up for the lost advertising dollar. That applies to the state system. Let the private network show advertisements, but only in conformity with the advertising code that we are told is going to be administered more strictly by the CRTC. Instead of that, Mr. Speaker, we have a hodgepodge in the recommendations contained in the report.

First, the CRTC in some mysterious way is supposed to define exploitation. Second, it is to have the almost impossible task of trying to define what advertising is geared to parents and what advertising is geared to children. I do not know how some of my hon. friends view the realities of the situation, but what of the program called "M-A-S-H"? Incidentally, that is a good word when one starts thinking of committee reports. M-A-S-H is sponsored by an advertiser, and is shown sometimes in the afternoon and sometimes at night. I suggest that children of six years and over, probably under 12 years, will look at this program if their parents let them, and are just as interested in M-A-S-H as they are in Bugs Bunny on Saturday mornings.

Take the case of the program "Man from U.N.C.L.E." or "Girl from U.N.C.L.E." which is shown from five to six o'clock in the afternoon. Mr. Speaker, I will certainly take the girl from U.N.C.L.E. any day, any way, and that program is supposed to be geared to the grey area between adulthood and childhood.

An hon. Member: Where are you?

Some hon. Members: Oh, oh!

Mr. Nowlan: I suppose there are some very adult things in that program, yet the children seem to like it a lot. How in the world can the CRTC deal with that situation?

The Broadcasting Committee has not even touched the fundamental problem that it should be dealing with this session. A green paper on communications was filed by the Minister of Communications (Mr. Pelletier) three months ago. As I say, the Broadcasting Committee has not even touched it. The committee has dealt with advertising directed at children, something which is important and interesting. Some hon. members deserve a lot of credit for raising the subject, but I believe it has been raised out of all proportion to the fundamental problems of broadcasting and communications. Loading another element of responsibility on to the CRTC to help decide whether a program is designed for adults or children, and whether there is exploitation of children in advertisements, I think makes the work of the committee rather ridiculous. These are the remarks I should like to make now, even though the chairman said there is not supposed to be a debate.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, as a member of the Broadcasting Committee, I rise in support of the motion for concurrence. I was interested in the remarks of the hon. member who just finished speaking. He admitted that he was not at the steering committee meeting, or the final broadcasting committee meeting, which drew up the recommendations. His comments obviously indicate his absence because most of them were directed at children's programming. That is not what the committee recommended; it recommended that advertising not be directed specifically at the child. We heard evidence that the child is too immature to make rational decisions on advertising that is designed primarily to make him act as a salesman or, although he has not the money, to make him pressure his parents into buying goods. We found that the child could not gain information from the 30 second or 50 second commercial which was mainly designed to pressure him into buying or to pressure parents into buying.

This is a sound recommendation which attempts to eliminate a serious problem in our society, a problem on which parents have expressed their concern to members of parliament. I would urge that all members of the House support this resolution that the committee has drawn up.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I am not a member of the committee in question, but from what I hear, the report deals with advertising aimed at children, and which exploits adults as well as children.

It has just been said that it is not good for children to see such advertisements, and I would add that there are some fifty-year olds who have about as much sense as five-year olds. Television advertisements would be just as harmful to them, as to the children.

If agreement has been reached between the various political parties, within the committee, that the report be tabled without debate by the chairman, who is undoubtedly the hon. member for Cochrane (Mr. Stewart), I will raise no objection. Only it would be very important for the committee to take into account the attitude of the CRTC and the CBC.

It was said earlier that it would be acceptable if no advertisements were televised on the government network. I am in total agreement on this point. The national network, which is financed by the people of Canada, must at least spare us the moronic advertisements one sees all day long on the CBC.

Once again I say that I will raise no objection if agreement has already been reached that the committee report be tabled in this House without debate.

[*English*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, I merely wish to say that I consider this to be a good report. I agree with the interpretation placed on it by the hon. member for Cochrane (Mr. Stewart) who did such a distinguished job as chairman of the committee.

Some hon. Members: Hear, hear!

Mr. McGrath: I should also like to say in fairness to the chairman of the committee, that this report was tabled in the House more than a week ago. The motion for concurrence was placed on the order paper last Friday which I think gave hon. members ample time to consider it.

May I say in conclusion that I thank hon. members for the fairness with which the subject matter of Bill C-22 was examined by the committee. As far as I am concerned the report has, unfortunately, been misinterpreted by the press but it certainly meets the objectives of my Bill C-22.

Motion agreed to.

● (1420)

ORAL QUESTION PERIOD

[*English*]

ENERGY

PROPOSED MACKENZIE VALLEY PIPELINE—POSITION OF CANADA IN DISCUSSIONS WITH UNITED STATES IN 1970

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Acting Prime Minister on the subject of a pipeline to move oil from Alaska to the main body of the United States. May I ask whether, back in 1970, the government of Canada took the position that this was not even a subject that could be discussed. I ask this question because, although it relates to three years ago, it is of current importance to Canada today.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the answer to that question is, no.

Mr. Stanfield: A supplementary question, Mr. Speaker. I would ask the Acting Prime Minister what position the government of Canada took, if the position as described and attributed to the government of Canada by a senior official of the United States is denied now by the minister. Perhaps the Acting Prime Minister could tell the House briefly what position the government of Canada took.

Mr. Sharp: Mr. Speaker, the position that the government has taken is that we would welcome an application by the American oil companies to build an oil pipeline down the Mackenzie Valley. This application should, under the laws approved by this Parliament, be made to the National Energy Board.

PROPOSED MACKENZIE VALLEY PIPELINE—POSITION OF CANADA ON OWNERSHIP TRANSMITTED TO UNITED STATES IN MAY, 1972

Hon. Robert L. Stanfield (Leader of the Opposition): A further supplementary question, Mr. Speaker. As in May, 1972, our position was apparently expressed on a comprehensive basis to the United States authorities, can the Acting Prime Minister tell the House whether at that time Canada's position with regard to the ownership of such pipeline was as set forth in the message sent to the United States embassy early in July of this year? Was that position with regard to ownership put forth as part of our comprehensive position in May, 1972?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I cannot speak as to dates but I do reaffirm what the Minister of Energy, Mines and Resources said, that the

position of the federal government with respect to an oil pipeline was decided by the government last summer. I cannot say in what particular month that was.

TAPS TANKER ROUTE—SUGGESTION CANADA RECOMMEND MOVING CHERRY POINT REFINERY FARTHER SOUTH

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister. Having in mind the discussions going on or pending in Washington at this time following the green light which has been given by the United States for the shipment of oil down the Pacific Coast by giant oil tankers to the Cherry Point Refinery, which is approximately 13 miles from Surrey-White Rock, may I ask, is the government giving consideration to making strong representations to the United States government aimed at the removal of the Cherry Point Refinery to a point farther south on the Pacific Coast and farther away from Canadian shores?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, perhaps this question gives me the opportunity to clarify a point that seems to be a bit obscure. The Canadian government's principal objection to the TAPS line proposal has to do with the possibility that large tanker's would enter the narrow waters of the Strait of Juan de Fuca. The question of whether the United States should build a pipeline across Alaska and carry oil down to California is not really a question upon which we have much of an opportunity to express a view. However, with respect to the narrow waters of the Strait of Juan de Fuca, I believe we have just as much interest as the United States. It is on this point we have centered our objections. I say to the hon. member if we could remove that problem, the rest is a matter that does not concern us directly.

* * *

LABOUR RELATIONS

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—SUGGESTED APPOINTMENT OF INDEPENDENT MEDIATOR

Mr. David Lewis (York South): Mr. Speaker, I have a question or two for the Minister of Labour relating to the possibility of almost certainty of a strike of the railway employees. Has the minister discussed with the parties or has he himself been giving consideration to the appointment of a mediator, not someone from his department, but an independent mediator to seek a settlement to the dispute without interfering with any rights the employees may have?

Hon. John C. Munro (Minister of Labour): Yes, I have, Mr. Speaker. I have been considering both alternatives. I have acted now with reference to having mediation services provided by my department. As to whether an outside mediator would help, that is being explored. If it would help, it will be entertained. In the meantime, Mr. Kelly from my department is involved.

Oral Questions

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—UNION AGREEMENT NOT TO INTERFERE WITH GRAIN SHIPMENTS IN EVENT OF STRIKE—POSITION OF COMPANIES

Mr. David Lewis (York South): Mr. Speaker, my supplementary arises out of a statement made by a spokesman for the union some time last week. It was that the union and their members are prepared to make sure grain shipments continue, even if there should be a rail strike, on condition that the companies co-operate and do not abuse the situation. Has the minister followed up or does he intend to follow up this possible offer of the union's concern and have discussions not only with them, but also the companies on that point to make certain that there is no interference with regard to grain shipments?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. I have had some discussions with the union officials on this question as well as the over-all strike situation or possibility of a strike situation. As far as the companies are concerned, I will be making approaches to them to determine their intentions in this regard. I have not precisely done that to this time, but I know communications have been made with them to explore their intentions in this regard.

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—UNION DISSATISFACTION WITH PENSION PLAN—SUGGESTED INQUIRY

Mr. David Lewis (York South): There is one central point to the dispute of which the minister is well aware. There is widespread dissatisfaction among railway employees with the pension plan negotiated and agreed to some time ago which is to form part of any final settlement. In view of that widespread discontent and the relevance it will have on the kind of railway stoppage, is the minister considering acting without too much delay to appoint someone to make a thorough inquiry into the pension plans of the railways which have been the subject of discussion in Parliament for many years because of the historical inadequacies?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. I think it is worth noting there has been a considerable movement towards the improvement of these pension plans for the railway workers. We are very aware of the importance workers are attaching to this and are giving consideration to some formula in this regard. One of the reports of the union representative on the conciliation board advanced certain suggestions. We are looking at those at the moment.

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—UNION AGREEMENT TO EXCLUDE FERRIES SERVING PRINCE EDWARD ISLAND AND NEWFOUNDLAND FROM STRIKE ACTION

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I wish to address a supplementary question to the Minister of Labour. Can the minister confirm that the unions concerned have agreed to exclude CNR operated ferries serving Prince Edward Island and Newfoundland from any strike action that may be taken in the near future in connection with the present labour dispute?

[Mr. Munro (Hamilton East).]

● (1430)

Hon. John C. Munro (Minister of Labour): That is my understanding, Mr. Speaker. The union has indicated that it will co-operate in every way to ensure that the ferry services to which the hon. member has referred will not be interrupted.

* * *

[*Translation*]

SOCIAL SECURITY

POSSIBILITY OF LOWERING AGE OF PENSION ELIGIBILITY TO 60—DISCUSSION WITH PROVINCES—GOVERNMENT'S CONTRIBUTION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the Minister of National Health and Welfare.

Are consultations now in progress between the federal and the provincial governments with a view to granting old age security pensions to persons aged 60 and over?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have answered this question on several occasions. I have nothing new to add. It is one of the matters which is being considered as part of the general review of social security in Canada. It is only one of the many questions being examined.

Mr. Caouette (Témiscamingue): Mr. Speaker, since the provinces are now giving some financial assistance to persons of 60 or more, can the minister tell us what proportion of that assistance is paid by the federal government?

Mr. Lalonde: Mr. Speaker, 50 per cent.

* * *

[*English*]

LABOUR RELATIONS

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—POSSIBLE AGREEMENT OF UNION ON MOVEMENT OF FOOD TO NEWFOUNDLAND IN EVENT OF STRIKE

Mr. James A. McGrath (St. John's East): A supplementary to the Minister of Labour. Notwithstanding the assurances by the union that the ferry services to and from the island provinces will not be disrupted and that grain shipments will continue, I ask the minister whether he has consulted with the union with respect to the movement of essential food items into my own province of Newfoundland, bearing in mind that most of the essential foodstuff entering the province does so by rail.

Hon. John C. Munro (Minister of Labour): I believe the union has given consideration to these aspects but there is no indication that the same guarantees will apply to that situation as is the case in respect of grain and the ferry services.

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—UNION DISSATISFACTION WITH PENSION PLAN—APPOINTMENT OF INDEPENDENT EXPERT

Mr. David Orlikow (Winnipeg North): In view of the sharp difference between the company and the union with regard to an assessment of the monetary value of the pension plan, and the importance at arriving at an agreement in this dispute, is the minister considering the proposal of the union that he appoint an independent expert to advise the government as to the real value of the pension plan?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker.

[*Later:*]

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—UNION AGREEMENT TO MOVE GRAIN AND FOOD IN EVENT OF STRIKE—POSITION OF COMPANIES

Mr. A. P. Gleave (Saskatoon-Biggar): I asked yesterday whether the management of the two major railways was prepared to continue to move grain and essential foodstuffs, the unions having already indicated that they are prepared to do so. Might I again ask the minister whether the government has sought such an assurance from management and, if so, whether it had received an assurance to this effect?

Hon. John C. Munro (Minister of Labour): I am not aware of having received assurances, to use that phrase, from the companies.

Mr. Gleave: Then, may I ask again whether the minister has sought those assurances?

Mr. Munro (Hamilton East): The companies are aware that we would very much like them to be able to operate in a way which would lead to as little dislocation as possible.

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—LENGTH OF STRIKE BEFORE GOVERNMENT ACTION

Mr. G. W. Baldwin (Peace River): I should like to ask the minister whether the cabinet has come to a decision as to the number of weeks which must be allowed to elapse before, in its opinion, the public becomes sufficiently exasperated to not accept the additional burden, involved in the increase, which would be passed on to it through a settlement?

Hon. John C. Munro (Minister of Labour): The government is very concerned about the public interest in this matter and both parties involved are well aware of this.

Oral Questions

CP AIR

POSSIBILITY OF STRIKE OF MACHINISTS—GOVERNMENT ACTION TO AVERT—SAFETY OF OPERATION WITHOUT MACHINISTS

Mr. Duncan Beattie (Hamilton Mountain): My question, too, is addressed to the Minister of Labour. Can the minister outline the progress of the negotiations between CP Air and the machinists union, and tell the House what steps have been taken to avert this strike?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, we have been in touch with both parties with respect to the dispute. As of the moment, neither is desirous of mediation services of any kind. The parties are engaged in direct negotiations at the moment.

Mr. Beattie: In order to avoid an unsafe situation, the machinists' union has called on the government to shut down CP Air if the machinists strike tomorrow. In the light of the minister's direct responsibility in this dispute, has the government considered this important matter and, if so, is the government satisified that the airline can be operated safely without the machinists?

Mr. Munro (Hamilton East): As far as CP Air is concerned, it is a private corporation governed by regulations, and responsibility for those regulations rests with the Minister of Transport to whom the hon. member's question might properly be directed.

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PRIVACY

ALLEGED TAPING OF DISCUSSIONS BETWEEN PRIME MINISTER AND PRESIDENT NIXON—INQUIRY AS TO PROTEST BY CANADA

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Acting Prime Minister, both in that capacity and as Secretary of State for External Affairs. Throughout the years, as he will agree, the essence of communication between nation and nation, and their representatives, has been its entirely confidential nature, and to my knowledge, with the exception of one or two communist countries, there has never been any question of eavesdropping on those discussions, or of their transcription by tape. In view of what has been revealed, that in the White House, in Washington, when leaders of other countries have met with the President, secret eavesdropping has taken place, has the government of Canada made any protest to the United States against this practice, one which unless it were prevented and discontinued would undermine the whole basis of international discussion?

Hon. Mitchell Sharp (Acting Prime Minister): The answer, Mr. Speaker, is no. We have not made any such protest. The Prime Minister expressed it very well last week, I thought, when in reply to a similar question he said he continued to believe that his conversations with the President of the United States would be treated as secret and confidential.

Mr. Diefenbaker: Mr. Speaker, that was a pious expression of hope. I ask the minister whether the government has examined what took place during the discussions between the President and the Prime Minister and concluded that it would not really matter whether their contents became public or not?

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PUBLIC SERVICE

INQUIRY AS TO PROVINCIAL OBJECTIONS TO PRINCIPLE OF EQUAL PAY FOR EQUAL WORK

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the President of the Treasury Board. Has the minister reconsidered his position on the issue of equal pay for equal work done by employees under the jurisdiction of the Treasury Board no matter where in Canada they may be employed?

Hon. C. M. Drury (President of the Treasury Board): No, Mr. Speaker.

Mr. MacKay: I should like to ask the minister, now, whether he has received any indication from any provincial administration that it objects to this concept of equal pay for equal work?

Mr. Drury: Not to my knowledge, but I will inquire.

Mr. Donald MacInnis (Cape Breton-East Richmond): I would ask the President of the Treasury Board how it is that he is not aware of an objection put forward by provincial governments with respect to equal pay for equal work, though it was reported to a committee of this House that such a position had been expressed by the provinces to the government? As President of the Treasury Board he should be the first to know. But as usual he will be the last.

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HOUSING

ROCHDALE COLLEGE—REQUEST FOR ACTION TO REPOSSESS—POSITION OF HOLDERS OF SECOND OR THIRD MORTGAGES

Mr. Ian Arrol (York East): Mr. Speaker, in the absence of the Minister of State for Urban Affairs I should like to direct my question to his parliamentary secretary. In view of the fact that a coroner's jury recommended last week the closure of Rochdale College in Toronto, and despite the fact the college is now fighting in the courts a foreclosure order by CMHC, would the government consider the possibility of taking further action so that the will of the people in Toronto might be served?

● (1440)

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, the minister has replied to this question on a number of occasions. The government has given instructions to its attorneys to proceed as quickly as the courts will allow with the question

involved in taking possession of Rochdale. As soon as the courts allow the proceedings to continue, this action will be brought to a conclusion.

Mr. Arrol: Mr. Speaker, is action being blocked by those holding second or third mortgages?

Mr. Watson: Mr. Speaker, I am not aware of the answer to that. I will look into that question and try to supply an answer.

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ENERGY

TRANSPORTATION OF ALASKAN OIL TO UNITED STATES—POSSIBLE REQUEST IN 1970 FOR TREATY FOR A PIPELINE CORRIDOR

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs arising from questions asked earlier by the Leader of the Opposition and in view of the ambiguity of the statement attributed to deputy assistant secretary Katz. I should like to ask the minister whether in the 1970 discussions the request from the United States was for an agreement or for a treaty? If it was a request for a treaty for a pipeline corridor or right of way through Canada, could the Secretary of State for External Affairs indicate to the House in what particular respects that proposal differed from the kind of arrangement which exists currently whereby certain Canadian oil is transported from one point in Canada to another point in Canada through the United States.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I did not participate in all the discussions which took place in 1970, but my recollection and my exchange of recollections with my colleagues leads me to believe the conversations at that time were of a very general character and were not specifically related to a pipeline. They concerned many aspects of energy and this was only one thing that happened to be discussed at that time.

Mr. Barnett: Mr. Speaker, may I ask the minister, as Secretary of State for External Affairs or perhaps as Acting Prime Minister, specifically whether the United States at any time approached Canada to enter into a treaty arrangement with it for a corridor or right of way for an oil pipeline between Alaska and the main body of the United States?

Mr. Sharp: Mr. Speaker, if any such proposal had been made it would have been made to me as Secretary of State for External Affairs, and no such proposal was made. There may have been some people in the United States who had some general ideas like this, but no proposal was made by the United States government to the Canadian government at that time.

[*Translation*]

EXTERNAL AFFAIRS

AID TO AFRICAN STATES SUFFERING FROM DROUGHT—POSSIBLE EXTENSION OF PROGRAM BEYOND JULY

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to put a question to the Secretary of State for External Affairs.

Following the appeal made in Canada yesterday by Mr. Trevor Page, one of the directors of the United Nations movement set up to help the people of Sahel, does the government intend to extend to the end of August shipment of food supplies to Nigeria, shipments which were due to cease at the end of July?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have an on-going program of several million dollars. We are providing planes to transport food to Niger and other states in the Sahel. We are also engaged in developing some long range program to deal with the underlying problem of drought and the need for transport of water or the movement of people. Our program is not limited in time.

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MANPOWER

LOCAL INITIATIVES PROGRAM—SUGGESTED STUDY TO CLASSIFY PROJECTS ACCORDING TO USEFULNESS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Minister of Manpower and Immigration. In view of the large amount of money being spent, has a survey been contemplated of the LIP programs so that they may be classified according to their benefit or usefulness.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, this whole program is under constant evaluation. We are analysing what its costs and benefits might be. Indications so far are that it has been a very productive program.

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INQUIRY OF THE MINISTRY

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Supply and Services. With reference to his announcement yesterday of a contract of some half a million dollars awarded to the Saskatoon Fire Engine Company for 14 firefighting pumpers, could the hon. gentleman inform the House if this equipment will be available to cope with the fires ignited in western Canada by the minister responsible for the Wheat Board?

Mr. Speaker: Order. The hon. member for Humber-St. George's-St. Barbe.

HARBOURS

POSSIBLE TRANSFER OF RESPONSIBILITY FOR SMALL CRAFT FACILITIES TO DEPARTMENT OF ENVIRONMENT—REQUEST FOR STATEMENT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in the absence of the Minister of the Environment I should like to address a question to the parliamentary secretary. The minister indicated on several occasions in committee and in the House that the decision to transfer responsibility for small craft harbours would be handed over to the Department of the Environment. Would he advise the House if this decision has been made?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the minister intended to make a statement on this matter last Friday, but will be making a statement this coming Monday. I believe at that time the answer will be provided.

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AIR CANADA

DISPUTE WITH CANADIAN AIRLINE EMPLOYEES ASSOCIATION—REQUEST OF UNION TO PROSECUTE—DECISION OF MINISTER

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Minister of Labour and relates to the strike of Air Canada employees in Winnipeg now in its ninth week. Has the minister finished his consideration of the union's request to present a case before the labour relations board regarding alleged unfair labour practices on the part of Air Canada and if so what decision has been reached?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. I have given the consent requested under the act for the union to bring its complaint before the Canada Labour Relations Board.

ALLEGED USE OF NON-UNION PERSONNEL DURING STRIKE—RESULTS OF INQUIRY BY MINISTER

Mr. Doug Rowland (Selkirk): Mr. Speaker, may I ask the minister if he has now completed his investigation of the union's allegation that Air Canada is forcing non-union clerical personnel to work in the capacity of strike-breakers and if so what are the results?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am not satisfied there has been a concerted effort in this regard. There was no concrete evidence. However, the number of employees working there is of minimal proportions.

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THE CANADIAN ECONOMY

REQUEST FOR CONTROL OF PRICES OF LIVESTOCK FEEDS TO STABILIZE MEAT PRICES

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

Minister. Is the government giving consideration to measures to control the prices of farm and livestock feeds, and components thereof, so that the spiralling prices of meat products might be realistically stabilized?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. We have no specific plans of that kind.

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MANPOWER

SHORTAGE OF FARM LABOUR—POSSIBLE GRANTING OF WORK PERMITS TO MEXICAN AND PORTUGUESE WORKERS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct my question to the Minister of Manpower and Immigration. Will the minister undertake to direct competent Canadian labour to southwestern Ontario or allow work permits to be granted to Mexican and Portuguese labourers in view of the fact that crops of food are now being lost as a result of the lack of harvest labour which local Manpower offices stated as recently as yesterday was not available?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we have been in regular communication and conversation with the provincial government of Ontario on this matter. Some problems have been identified. From information I have now, I think the problems have been somewhat exaggerated. We have identified some 4,200 applicants for jobs in this area. They sometimes find that the conditions under which they are asked to work are not satisfactory to them. I would not take sides on that issue. To sum up, in view of representations made, we are looking into it with a view to making special efforts to permit the bringing in of named foreign workers. Where we are absolutely satisfied that this is required, we will move very quickly and we will be in touch with the affected employers within the next few hours as a matter of fact.

[*Later:*]

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my question is supplementary to that of the hon. member for Kent-Essex put to the Minister of Manpower and Immigration. It relates more specifically to the issuing of permits to Mexican families coming to southern Ontario on a contractual basis to help in the harvest of canning crops.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I missed the specific point of the question. Would the hon. member mind repeating it?

Mr. Knowles (Norfolk-Haldimand): Yes, Mr. Speaker. We made an approach to the minister's department some time ago—I am referring to farmers in the area—asking that Mexican families be brought in as a unit on a contractual basis to assist in the harvesting of canning crops.

Mr. Andras: We are in consultation with the particular employers to whom the hon. member referred. There is some difficulty in giving blanket authorization to Mexican families, particularly in view of the employment of children of a very tender age which, I understand, may have been the practice in the past. I would sum it up by saying that where working conditions are acceptable according to provincial and other labour standards, we would be sympathetic to bringing in those families, not only Mexicans, but Portuguese and people from other countries.

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● (1450)

ADMINISTRATION OF JUSTICE

USE OF CENTRAL POLICE COMPUTER—STEPS TO PROTECT CIVIL LIBERTIES

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I have a question for the Solicitor General. Can he tell the House when the new central police computer will be on line with the capacity to provide computer assisted interrogation and investigation similar to that being used in the U.S. Senate Watergate inquiry, and what steps have been taken to protect the civil liberties of Canadians who are subject to applications of this new technology?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I will have to take notice of this question. We have information that the computer will not do all the things referred to by the hon. member, but I will get a complete report and provide him with it.

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EXTERNAL AFFAIRS

VIET NAM—POSSIBLE ESTABLISHMENT OF DIPLOMATIC RELATIONS WITH THE THREE GOVERNMENTS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. In view of the promise made by the government to assist in the rehabilitation of Viet Nam after years of devastation there, is it the intention of the Canadian government to take steps to establish diplomatic relations with the Democratic Republic of Viet Nam, commonly known as North Viet Nam, the Republic of Viet Nam or South Viet Nam, and the Provisional Revolutionary Government, all of them recognized as parties to the Paris agreement?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, our embassy in Peking has been having talks with the embassy of the Democratic Republic of Viet Nam proposing the establishment of diplomatic relations. Our delegation in Saigon has had discussions with the Republic of Viet Nam proposing the establishment of diplomatic relations and the opening of a Canadian embassy in Saigon. We do not propose to establish diplomatic relations with the Provisional Revolutionary Government of Viet Nam.

CP AIR

POSSIBLE STRIKES OF MACHINISTS—SAFETY OF OPERATION WITHOUT MACHINISTS—GOVERNMENT ACTION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is directed to the Minister of Labour. Has the minister discussed with the Minister of Transport the possible threat to safety caused by the decision of CP Air to use supervisory staff to do the maintenance work? If so, can the minister outline to the House what the government's position is on the threat to safety caused by the strike and the requests of machinists to shut down CP Air?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I have not consulted directly with the Minister of Transport in this connection, but I am aware that the Department of Transport and the inspectors responsible for the implementation of these regulations watch situations of this kind constantly and very closely. I am sure they are taking it into account.

* * *

LABOUR CONDITIONS

REQUEST FOR STATEMENT BY MINISTER ON REPORTS OF STUDIES ON COMPRESSED WORK WEEK

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Minister of Labour. Could he advise the House if he has had an opportunity to study the recent report of the research staff of the Ontario ministry of labour which deals with the specific problems and potential of the compressed work week? If so, will he soon be making a statement on motions about the subject or about the Johnston Commission of Inquiry report which he has had for the past three or four months?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am not aware of whether I have studied the particular report on the compressed work week to which the hon. member referred. I must say that I studied many reports on this matter and I am not prepared to make a recommendation to the government at present as to an over-all government policy with respect to it.

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MANPOWER

LOCAL INITIATIVES PROGRAM—POSSIBLE SCREENING OF PROJECTS FOR DUPLICATION BY OPPORTUNITIES FOR YOUTH PROJECTS

Mr. Joe Hueglin (Niagara Falls): Mr. Speaker, may I address this question to the Minister of Manpower and Immigration. Earlier today he spoke about evaluation. When consideration is given by the minister's officials to extending Local Initiative Programs over the summer months, were these programs screened to make certain they would not duplicate Opportunities for Youth programs in the same areas?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, they were not necessarily screened to ensure that they would not duplicate OFY programs in the sense that they might be doing similar work or other kind of work, but they are certainly screened to try to ensure that there was no unwarranted duplication of grants, if that is what the hon. member is implying.

Mr. Hueglin: It would seem that the minister and the Secretary of State should get together somehow, since—

Mr. Speaker: Order, please. The hon. member asked for a supplementary question. If he wishes to ask a supplementary question, he will be recognized for that purpose. Otherwise, the Chair recognizes the hon. member for Bellechasse.

[*Translation*]

LOCAL INITIATIVES PROGRAM—INQUIRY RESPECTING PAYMENT OF GRANTS FOR 1972 PROJECTS

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

Since the parties responsible for some LIP projects carried out in 1972 have yet to receive their final subsidies, can the minister say when the final payments will be made?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I think I would have to have details of the specific instances to which the hon. member is referring in order to give him a satisfactory answer. I would certainly request him to send that to me as quickly as possible and I will try to deal with it.

* * *

INDUSTRY

AUTOMOBILES—ALLEGED STATEMENT OF MINISTER OF ENVIRONMENT FAVOURING REMOVAL OF DUTY ON IMPORTS FROM UNITED STATES

Mr. Edward Broadbent (Oshawa-Whitby): I have a question for the Acting Prime Minister, Mr. Speaker. Could he inform the House whether or not the Minister of the Environment was stating government policy when he announced at the conference of all the western Liberals meeting, I understand, in a phone booth in Vancouver last week, that he favoured the removal of the 15 per cent duty that individual Canadians must now pay on cars ordered from the United States?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I can only assume the hon. member was bugging the phone booth.

Some hon. Members: Oh, oh.

Oral Questions

ADMINISTRATION OF JUSTICE

YVES GEOFFROY—POSITION OF GOVERNMENT ON REQUEST FOR PARDON OR NEW TRIAL

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, my question is for the Solicitor General, also in his capacity as Acting Minister of Justice. When will the government inform the House as to what its decision will be with respect to the petition of Yves Geoffroy for a pardon or a new trial?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, so far as my department is concerned, we have no intention of granting a pardon. I will have to consult the Minister of Justice with respect to those aspects which relate to his department.

* * *

ENERGY

TAPS TANKER ROUTE—RESPONSE OF UNITED STATES TO CANADIAN OBJECTIONS TO TANKERS MOVING THROUGH STRAIT OF JUAN DE FUCA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Secretary of State for External Affairs with regard to the movement of Alaskan oil through the Strait of Juan de Fuca and the efforts that the Secretary of State for External Affairs ways he made to prevent this. I should like to ask him what response he has had from the United States, whether he has had specific success or any reason to believe that the United States is not planning to move that oil through the Straits of Juan de Fuca?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I think we have had some success at least in acquainting the members of the administration of the United States of the very serious danger, not only to Canada but to the bordering areas of the United States of the movement of these oil tankers. The secretary of state of the United States has spoken to me about the possibility of setting up a group to look at this problem. My own view is that we have only begun to fight on this issue.

Some hon. Members: Oh, oh.

Mr. Sharp: This is why I think there should be a distinct separation between the question of the approval of the TAPS line and the movement of oil through the narrow Strait of Juan de Fuca since there has been some confusion about this. I hope the statements I have made today will help to clarify the point. We are not particularly concerned about the movement of oil across Alaska. What we are concerned about is the movement through the narrow waters, and we are making a distinct impression both upon the government of the United States and upon the people in that area.

● (1500)

Mr. Stanfield: In view of the fact that it has been the announced intention for a number of years to move this oil through the Strait of Juan de Fuca, would the Secretary of State for External Affairs explain to the House why the government of Canada is only beginning to fight?

Mr. Sharp: Mr. Speaker, I think I should remind the Leader of the Opposition that there is a great deal of opposition in the United States to the TAPS line; indeed, the bill in the U.S. Senate was only approved by a single vote. So I think it is quite right that we are only beginning to fight, because now we have something tangible to fight about.

TAPS TANKER ROUTE—POSITION OF GOVERNMENT ON RAILWAY LINE AS ALTERNATIVE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, while the government of Canada is in the position of just beginning to fight, I ask the Secretary of State for External Affairs whether any consideration has been given to provide a railroad to haul the oil across Canada. I understand a committee connected with the Cabinet is giving consideration to this matter. Would he let the House and the country know the present position in this regard?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I think that was an idea put forward originally by the premier of one of the NDP provinces and I gather that the right hon. gentleman is supporting it. We have been looking into the possibilities. It is an interesting idea. We have not yet reached any conclusion.

Mr. Speaker: Order, please. The Chair will recognize the right hon. member for Prince Albert on a supplementary and then call orders of the day.

Mr. Diefenbaker: Would the minister let the House and the country know who he means by "we" when he says, "We have been looking into the possibilities"? Is there a committee, and could he tell us the personnel of the committee? This alternative is strongly pressed by the Queen's University group of whom the minister, of course, is fully aware.

Mr. Sharp: When I said "we" I was referring to the government of Canada.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

REINSTATEMENT OF LAW RELATING TO CAPITAL PUNISHMENT THAT EXISTED PRIOR TO DECEMBER 30, 1972

The House resumed, from Monday, July 23, consideration of Bill C-2, to amend the Criminal Code, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, yesterday I had two or three minutes before ten o'clock and was

dealing with the motion standing in the name of the hon. member for Louis-Hébert (Mrs. Morin). I said I thoroughly subscribe to her intentions, her desires and what the hon. lady hopes to achieve by this amendment. She and I are in agreement on this score. I know the problem. All of us know it. We abhor the violence involved in these matters: it is a very terrible thing.

I also pointed out that there was a serious technical problem with regard to the establishment of the offences mentioned in the motion. That by itself need not be enough to stop us, but the motion is trying to establish what could be called a double offence. First, it is calling upon the Crown, in any charge which would be laid if this amendment became law, to prove that rape or attempted rape had been committed. This has to be established by evidence beyond any reasonable doubt, and as it involves a sexual offence of this type it has been held by the courts—although it is not in the written law of the country—that there must be corroboration in some material respect.

These are exceedingly difficult cases to prove. As I said last night, anybody involved in the professional career of law, either prosecuting or defending such cases, will realize this fact. In the event of the death of the poor unfortunate victim, the capacity for there to be corroborating evidence becomes exceedingly slim, if not impossible. Even if that offence is proved and having gone on to the next stage, you must then establish that the death of the person involved can be laid at the door of the person charged with the offence. I am only putting this forward, Mr. Speaker, not as a reason for not passing the amendment but simply to set out the problems and the difficulties which are conjured up by the hon. member's amendment. Indeed, it would probably require very substantial changes in the law of evidence if there is ever to be a conviction under this proposal of the hon. member.

There are others, of course, who say that such a provision constitutes a deterrence. There are elements of deterrence in the punishments which we have on our statute books, but from my experience I must say that in addition to deterrence there are substantial elements of fear and vengeance involved. I think these are not emotions which need be hidden. I do not say they are healthy emotions, but they exist, Mr. Speaker. Notwithstanding the progress of society over thousands of years, fear and vengeance are emotions which are still very much present in our society as a whole and in its individual members.

I understand these emotions. There is fear by parents about the perpetration of any of these horrible offences on their children. There is the very human element of seeking revenge or vengeance when you are either involved in such cases or know the people involved, or simply because you believe the offence is so wrong, so abhorrent, so repugnant to human nature that revenge must be a part of the punishment. These elements do exist. Let us not delude ourselves by saying they do not. With all members of the House, I believe it is necessary, in the kind of society in which we live, to provide opportunities for our families, friends and neighbours to walk the streets in safety and to protect our families and friends from crimes of violence which, unfortunately, have become so predominant.

I go along that far with those who take the other side of this argument, but there I part company with them. I am not going to attempt to convert the hon. member. The course of debates in this House over the last ten or 12 years has made it abundantly clear that very few people do change their minds on the issue, and in effect these debates are an opportunity to put on the record the reasons why hon. members feel as they do and vote as they do. But I part company with those who believe that the enlargement of the number of offences for which the punishment shall be the infliction of death constitutes a deterrent to the commission of such offences. This has been my experience. I put it on the record previously. I part company with the hon. member and her supporters in this regard. I give them full credit for the fact that they genuinely believe that this may be the case. They are entitled to that view. But, I cannot accept it. It is for that reason, as I said yesterday, that I will vote against the amendment.

Last night my hon. friend from Malpeque (Mr. MacLean), for whom I have a great deal of respect, mentioned the coddling of criminals and their glorification. I go along with him on that. There has been a tendency in certain elements of the press, not necessarily in Canada, to emphasize violent crimes as news that is of interest to people. As the hon. member for Malpeque said, there is a tendency to play up some of these particularly atrocious and colourful crimes. I think there ought to be a responsibility for moderation in this respect, and I agree with him on that as well.

● (1510)

I would point out that the dramas and other programs depicted on the television screen are bound to have some effect. I do not want to say things that perhaps ought not to be said, but it is not long ago that Senator Dodd of the United States headed a subcommittee of the Senate investigating the relationship between illustrations of crime on television and the growth of juvenile delinquency and crime. During the course of the inquiry a witness stated that one reason the growth of crime by juveniles had not spread was that many of these television shows were broadcast at a late hour and therefore were not seen by many young people. The television executives, after reading that evidence, immediately took steps to change the hour of these shows and brought them on earlier. I think this was a shocking thing to do. There is no question that this kind of relationship exists and I think that at some time a committee of this House might well examine it.

I know this has been scoffed at, but it seems to me that the crimes we are striking at are not susceptible of easy solution. It is all very well to say that we will hang more people, make more crimes susceptible to punishment by hanging and this will cure the problem, but I do not agree with that at all, Mr. Speaker. There is no single, simple, easy solution. We have allowed these things to develop over the years, and we have a responsibility in this House to examine with care and in detail every single method which can be employed to curtail the extent to which violence has become so prevalent in our society. It seems to me that the improper use of television films is something which we should certainly examine.

I also agree with the hon. member for Malpeque when he talked about permissiveness. There was a time, especially during the 1960s, when it was fashionable to glorify permissiveness, to accept it. I believe we are heading the other way now. That is another aspect of our society.

[*Translation*]

Mr. Speaker: Order, please. I believe that the hon. member for Louis-Hébert (Mrs. Morin) wishes to ask a question.

[*English*]

Mrs. Morin: On a point of order, Mr. Speaker, I should like to remind the hon. member that my amendment was not about films or movies shown at the end of the day but, rather about capital punishment for kidnappers and rapists.

Mr. Baldwin: Mr. Speaker, I appreciate that is the text of the hon. lady's amendment, but I am trying to assist her by indicating that the offences at which she is striking will not necessarily be solved by her motion and other possibilities are inherent in this question. I was simply adhering to the proposals advanced by my hon. friend from Malpeque which the hon. lady received yesterday without any objection. Mr. Speaker, this relates precisely to the point I made before, the question of the rule of law. There are those who suggest that in an attempt to strike at crimes of violence we should relax the strict requirement of proof which has grown up over the years. This is particularly the case in the United States. I suggest that it is not a practice which should be adopted by any country. There are comparatively few countries in the world which have a rule of law which serves as protection for society. It has taken a great many centuries to build up this type of protection for society. I am sure the hon. member for Malpeque and the hon. lady would not want to see this requirement eased.

Mr. Speaker, I abhor violence. I have seen something of killing in wars, and I have lived with the effects of it in my professional life in times of peace. I certainly join members of this House in any way, in any measure, in any effort which serves to stop violence and violent killing. But in doing so I cannot forsake the principles which I have advocated on a great many occasions in this House, that we do not make it any better by encouraging or by allowing the passage of laws which say to the state: You, too, can engage in violent killing.

Some hon. Members: Hear, hear!

Mr. Baldwin: Violence of any kind begets violence. Bloodshed encourages bloodshed. I think the attempt which the hon. member is making in her amendment to secure a very desirable objective will not be brought about in that way.

I simply conclude, Mr. Speaker, by saying that in the journey of life our society has many miles to travel, many mountains to climb, many rivers to cross and the destination is not that clear to any of us yet. I do not think we will ease that journey, nor will we make our destination any more clear by stopping from time to time as we journey to erect scaffolds and hang people from those scaffolds.

Some hon. Members: Hear, hear!

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, this is the second time I have risen to speak on capital punishment in this House. On the first occasion I stated the case for capital punishment for murder without distinction as to whether the murder victim was a policeman, shopkeeper, housewife or prison official.

An hon. Member: Or politician.

Mr. Beattie (Hamilton Mountain): Or politician. I was one of those who voted against the government's bill to extend the partial ban on capital punishment, and I have not changed my position one iota. In the first place, even if I were prepared to go along with capital punishment for the murder of policemen or prison officials, I do not believe the government has any intention of exacting such punishment for capital murder. We have had a partial ban on capital punishment for more than five years, but the government has no intention of living up to the existing law. As all of us know, every convicted murderer of a policeman over that period has had his sentence commuted by the cabinet.

Before I proceed, Mr. Speaker, I should like to state that I am in the forefront of those who support the excellent amendment proposed by the hon. member for Louis-Hébert (Mrs. Morin. I do not believe, as the hon. member for Broadview (Mr. Gilbert) stated yesterday, that women have a hangup about the crime of rape. I believe, simply and sincerely, that women are entitled to this protection. The penalty for rape, especially when it results in murder, should be as severe as we can make it.

Mr. Speaker, I have noted that the government has not ever intended to live up to the will of Parliament as expressed in the vote that took place on the original bill five years ago to impose the death penalty for the crime of capital murder. This was borne out very dramatically by the Solicitor General (Mr. Allmand). He tried to influence the Standing Committee on Justice and Legal Affairs and have Bill C-2 emasculated still further with his amendment to abolish capital punishment completely. That move on the part of the government was sneaky and devious and I cannot help feeling that we in this House have been deceived. The Solicitor General's amendment had all the earmarks—

● (1520)

Mr. Speaker: Order, please. I remind the hon. member for Hamilton Mountain (Mr. Beattie) that we had a debate yesterday on whether amendments which were or were not moved in committee could be the subject of debate at the present time. I think the hon. member and all hon. members ought to know that the most important rule of debate is that of relevancy. We have before us a specific motion. Hon. members have been given 20 minutes to put before the House their views in relation to the amendment. I would think hon. members should use those 20 minutes for that purpose and not discuss amendments which are not before us.

Mr. Beattie (Hamilton Mountain): Mr. Speaker, I was simply saying that we have not had a true representation of the facts. I invite the Solicitor General to rise in his

place and correct me. I invite the minister to state in this House that the attempt to press the amendment on the committee was just a last-minute thought.

Mr. Speaker: Order, please. The hon. member does not appear to have heard what I said a moment ago. The hon. member should know that there are rules of this House. The Chair has brought those rules to the attention of the hon. member. An attempt should be made at least to make a speech which comes within the rules. It is not often that the Chair reminds hon. members of the rule of relevancy. It is my impression that this rule is not overworked by hon. members. However, an attempt should be made by hon. members who take part in debate to at least take under consideration the suggestions made by the Chair.

Mr. Beattie (Hamilton Mountain): I beg your pardon, Mr. Speaker. I devoted a large part of my first speech on this topic to the history of capital punishment, hoping to make the point that there is nothing new in the principle of imposing the death penalty for capital crimes. The fact is that this principle has survived intact since the dawn of civilization. Let me say something to those who insist that we are more civilized now and that capital punishment is uncivilized. I invite them to suggest to me that those who commit the brutal and senseless crime of murder are entitled to all the benefits of our civilization. The coddling of a murderer in the name of humanity is not a civilized act. In my view, it is an irresponsible act.

I have said that some members must have been of two minds when they voted to give this bill second reading. I wonder if the government is hoping that the bill will be defeated in the coming vote. I do not know why they would take such a great risk if they really want to get this issue settled. If this is an election gimmick, I must say that the government is miscalculating badly. The consensus of all surveys I have seen on the subject weighs heavily in favour of capital punishment for capital crimes. The government must surely know by now that the Canadian people favour drastic measures to curb the rise in the rate of murder and other violent crimes.

When I spoke on this bill, I posed a hypothetical case for my colleagues and asked: If one of my colleagues was confronted in his home by an armed intruder and knew that he was about to be killed, would he shoot the intruder to save his own life? If the answer is yes, then there is the answer as to whether capital punishment is compatible with what we call civilized conduct. I cannot imagine anyone hesitating to kill a would-be murderer in defence of his own life. So why is there all the anguish and soul-searching about whether or not to take the life of a convicted murderer?

My sympathy is not with the armed intruder. My sympathy lies with the innocent victim of the intruder. My sympathy is with the law-abiding citizen who deserves the protection of those elected to represent him in parliament. We have a responsibility to protect innocent citizens against those who would take the law into their own hands, especially those who would take another life in the course of committing a heinous crime such as rape or kidnapping.

I cannot throw my support to a murderer simply because he is alive and the victim is dead. All too often the victim is forgotten in the course of what is usually a long, hard-fought and expensive trial. All the instruments of justice are at the disposal of the murderer because he is still alive. None of the instruments of justice, none of the advantages of our great civilization is available to the victim because the victim is dead.

When this bill was first introduced in January, most of us here agreed that if capital punishment were to be retained for any crime, it should apply to the murder of a policeman or prison official killed in the line of duty. That provision was in the bill that we passed on second reading a few weeks ago, and it was part of the bill that was passed by parliament more than five years ago. It can be said, then, that this is indeed the will of parliament. In fact, Mr. Speaker, it was also the will of the parliament of 1967. We should now be debating the question of whether we will have capital punishment in Canada or whether it should be abolished. But we are not debating that at all. We debated a few weeks ago, and are again debating today, whether we should pass the buck to another parliament five years from now.

We are expected to make a decision. It has been shown by the present government that there is no point in delaying the decision for another five years. We have been told that over the next five years we will be able to accumulate valuable data that will help us to make a firm decision at some future date. That is what the government said in 1967. And what do we have? We have nothing, absolutely nothing in the way of valid data. This government has commuted every death sentence imposed by the courts of Canada for the crime of capital murder. All of us in the House know that this government imposed a total ban on capital punishment more than five years ago when it adopted the practice of commuting death sentences and, in so doing, made it impossible for us to determine whether the death penalty would indeed be a deterrent.

Today, a criminal who is determined not to get caught will not hesitate to shoot at a policeman. I recall the case of the Toronto policeman who was killed a few months ago when he stopped an automobile that was being driven erratically. The driver simply stepped out of his car and shot the policeman dead. A few days ago a policeman was shot three times in Peterborough when he went to investigate a suspected break-in at a supermarket. In these and other cases relating to the murder of policemen the penalty for the crime committed has been relatively minor. We find that policemen are becoming fair game for anyone who feels that murder is no more serious than break and enter or purse-snatching.

Surely it is the fault of parliament that so many people today lack proper respect for our laws and for our law enforcement officers. It is our fault that this situation has deteriorated to such an extent that a policeman can be shot dead while investigating a minor traffic infraction. We have to consider putting a higher price on the luxury of killing people. The earliest recorded laws of man provide for the execution of criminals for certain capital offences. it may well be that that is one of the reasons why civilization has been able to move forward. I feel certain in my own mind that if there had not been some provision in those early times for controlling the base impulses of man, these impulses would have been paramount and

would have won over the instincts that took man out of the caves and the trees.

There is already evidence in our country to show that the permissive policies of the present government are eating away at the fabric of our society and eroding the foundations of traditional concepts of law and order. The victims in this drama are the innocent, the law-abiding and those who want to preserve our society. The winners are those who scoff at our laws, sneer at our institutions and poison the minds of the young and the impressionable. They take all, and give nothing. In far too many cases they take the ultimate: they take another human life. I say again, Mr. Speaker, in far too many cases they take another human life bacause the price is too cheap. We have an extraordinary situation in existence today in this respect. We have a law in Ontario that provides for compensation for victims of violent crime. Almost daily someone is paid damages by the provincial government for injuries suffered by victims of shootings, muggings and other crimes. At the same time we are debating whether we should impose a penalty in kind on the person who inflicts the injury. There are scores of cases where victims of crime suffer the after effects for the rest of their lives, while the criminal serves a few months or a few years in jail and is then free to repeat the crime.

● (1530)

In the case of murder I cannot accept the premise that execution of a murderer does not bring the victim back to life or ease the burden on the victim's family, so there is no point in executions. There is a very valid point. The point is that murder should carry a price as high as the value of the life taken. Anyone who is prepared to take the life of another person, deliberately and calculatedly, should have to pay with his own life. To say that that is uncivilized is pure and utter rubbish. The life of a murderer is no more sacred that that of his victim. That, Mr. Speaker, is what we should be talking about here today.

I would like to answer those people who might construe my position as bloodthirsty. Nothing could be further from the truth. Anyone who draws that conclusion from my remarks has missed the point. The point is that we should be prepared to adopt the strongest possible measures against those in our society who do have a thirst for blood. We should be debating right now the issue of who in Canada is entitled to our protection. It is the law-abiding citizens and the victims of crime who are entitled to our sympathy and our support. I am tired of hearing about how important it is to spare the life of the murderer. In the name of civilization, let us recognize the true role of parliament in this matter. Let us establish once and for all that we do not place the life of the murderer on a higher plane than the life of the victim.

In concluding my remarks, I would like to say to my colleagues that the partial ban on capital punishment over the past five years has resulted in a totally unsatisfactory situation. As we know, it has really been total abolition. We have seen a gradual breakdown of law and order, and in respect for the law and law enforcement personnel.

In place of this bill I would rather have us impose capital punishment for all crimes of murder, where there are no extenuating circumstances, for a period of five years. If this new law were followed to the letter, we would be able properly to assess the value of capital punishment as a deterrent. Another effect, I am sure, would be to place the value of life in the proper perspective. We would in time tend to place as high a value on the life of the victim as on the life of the murderer. This would bring a very worth-while result: if we were to do that, the majority of Canadians might come to feel that we in parliament have their true interests and their welfare at heart.

[Mr. Beattie (Hamilton Mountain).]

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, this is the second occasion on which I have risen to speak in this debate. In my earlier speech, on February 20, I outlined some of the reasons why I favour reinstatement of the death penalty for murder in Canada. Like the last time, my remarks today will be brief. This is because every conceivable argument regarding the entire subject of capital punishment has been advanced before in this House. Thus, parts of my address may sound repetitious and familiar. However, in view of the several proposed amendments to Bill C-2, and because of certain recent actions by the Solicitor General (Mr. Allmand), I feel it is necessary to once again articulate the feelings of my constituents in Winnipeg South Centre.

The great majority of my constituents favour capital punishment, as do most Canadians judging by the opinion polls. It is a fact that this parliament must accept, and not ignore or try to sneak away from via the back door, in the fashion of the Solicitor General. Approximately 80 per cent of all the correspondence I have received regarding capital punishment has been from constituents who advoacte retention of the death penalty. Like myself, a great many of these retentionists, and even some abolitionists, were astounded by the Solicitor General's attempt to have the death penalty banned completely. Like his predecessor, the present Solicitor General appears to be having some difficulty adapting to his portfolio. As a minister of the Crown, one would certainly have expected him to know that if a cabinet minister wants certain legislation passed, he should introduce it in the House. He should not, as the Solicitor General did, introduce a bill and then, encouraged by favourable reaction, try to change it to suit himself and the government.

Mr. Speaker: Order, please. I am sure the hon. member for Winnipeg South Centre (Mr. McKenzie) expects me to remind him, as I have attempted to remind other hon. members, that we should attempt to limit our contributions to the specific motion before us. I am sure the hon. member's remarks are introductory. I hope he will come to the meat of his remarks very soon, and that they will relate to the motion now before us.

Mr. McKenzie: I will come to the meat right now, Mr. Speaker. Because I favour capital punishment, I cannot support certain amendments to Bill C-2 which is currently before us. Should the government bill be defeated, amendments such as those proposed by the hon. member for Louis-Hébert (Mrs. Morin) and the hon. member for York West (Mr. Fleming) are not acceptable for they would guarantee total abolition on condition that murderers of policemen and prison guards serve a minimum of 25 years' imprisonment. I am against abolition and also against

doling out 25-year sentences. Convicted murderers imprisoned in the Drumheller penitentiary are also against the idea of a 25-year minimum sentence. The prisoners are quoted as saying such a sentence would turn a convicted killer into an animal who would have lost hope for rehabilitation and might kill again.

Therefore, I can accept no amendments to Bill C-2. Bill C-2 must be defeated, and capital punishment brought back. However, future legislation regarding capital punishment must be flexible. In conclusion, it is not capital punishment that is barbaric, but murder. Capital punishment seeks retribution. This retribution is what my constituents and the majority of Canadians demand.

● (1540)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to make a few comments on the amendment proposed by the hon. member for Louis-Hébert (Mrs. Morin). I do not intend to comment on the entire problem of applying the law in cases of murder, since I already had the opportunity to participate in this debate when the bill before us was given second reading. I also had that opportunity in 1966 and 1967, and the opinions I expressed then have not changed today, so I do no intend to repeat myself on that topic. Nevertheless, I must say that I am in favour of the amendment proposed by the hon. member for Louis-Hébert (Mrs. Morin). I have said on other occasions that I am in favour of the death penalty as a punishment for premeditated murder. If it should happen that we were no longer able to apply this law, I believe that the death penalty should be retained in some special cases, such as that mentioned in the amendment of the hon. member for Louis-Hébert.

I feel, however, that the hon. member for Louis-Hébert has made a distinction between rape and attempted rape. I feel that the judges who will be called upon to preside at trials in cases of rape or attempted rape accompanied by murder will be able to make the juries understand the seriousness of these crimes.

Once upon a time, I believe, the laws on rape were very severe, and it was a crime punishable by death. Today the laws have been greatly relaxed, and we realize that real cases of rape are increasingly rare. In fact, rape cases are often brought to court, but when the testimony is heard, it becomes clear that the victim is not always the female, for the provocations of some young girls or women have been such that the man has, in some degree, been led to commit rape.

A clear distinction must be made between rape or attempted rape and a less serious crime, so as to avoid doing injustice to those who may have let themselves get carried away on occasion.

Mr. Speaker, if we trust the judges who will have to conduct such trials, we may admit that mistakes will be avoided as much as possible and that once this legislation is established, those who will be tempted to act according to their feelings will think about it twice before taking such measures.

However, I am asking myself a question: once the amendment of the hon. member for Louis-Hébert is passed, when there is murder while committing or attempting to commit rape, and when a verdict of guilty is pronounced by a jury, will the Prime Minister (Mr. Trudeau) respect the jury's decision? He stated quite clearly some time ago that whatever may become of Bill C-2, the death penalty would never be applied as long as he is Prime Minister. If he continues to think along these lines, even though the House pass the amendment put forward by the hon. member for Louis-Hébert, the situation will remain quite the same as long as the present government is in office. I suggest that in such cases, the Prime Minister, the cabinet should comply with decisions rendered by those who will be called upon to consider cases before them and to take necessary decisions.

That is why, Mr. Speaker, I support the amendment introduced by the hon. member for Louis-Hébert, even though I would prefer a much harder legislation as regard premeditated murders committed in any circumstances.

Mrs. Morin: Mr. Speaker, I would like to give an explanation and make a correction. The hon. member for Abitibi referred to "an attempt to commit rape"; my amendment does not relate to an attempt to commit rape but to a rape followed by murder. I want this point to be very clear.

[*English*]

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I am entering this debate for the first time, although the subject was debated at some length before being sent to the committee. We are now on the report stage, considering amendments which in one way or another would modify the objectives set out in the bill. The bill as originally submitted by the government would continue the law as it existed from 1967 to 1972, imposing a ban on capital punishment except when murder was committed against police officials or penitentiary personnel.

In 1967 it was my opinion that we should give limited abolition a trial, to demonstrate the effect it might have in alleviating some of the concern felt by the public generally, while at the same time establishing a certain degree of protection for specific categories of people in our society who assume special responsibilities for us in the field of law enforcement. Unfortunately, in that five-year period the government ignored the legislation. Even in cases where capital murder was committed against police officials and penitentiary guards, action was not taken to impose the death penalty. As a result, the legislation was really a fraud, or a farce. Members of parliament were duped, because they had voted for something which never happened. Now, five years later, we are asked to extend the legislation for a further five years. What the government is asking us to do, in effect, is to support the complete abolition of capital punishment under the guise or the pretence that is would be implemented in the case of capital murder of police officlals and penitentiary guards.

The amendment before us would extend the area in which capital murder calls for the death penalty. Specifically, it relates to rape in the course of which the victim is killed. Really, the amendment involves only one segment of the offence of capital murder. I believe it should cover all cases of capital murder where there is in the mind of the person committing the offence a deliberate intention

to carry out the action in question. There is some doubt in my mind as to this amendment because this type of murder often takes place in the absence of any deliberation. It is a crime of passion. It is a crime often committed by a person of unbalanced mind, a person who really requires special mental treatment. Perhaps such a person should be classified more often under the category of non-capital murder rather than murder. There are many such instances.

● (1550)

I cannot say I am a strong retentionist, because I believe that if the system worked properly abolition could be achieved. I cannot agree with one of the amendments proposed, to the effect that capital murder be completely abolished but that people be kept in penal institutions for 20 or 25 years. I believe the only way in which a rehabilitation program works in institutions is by the provision of some hope to inmates that if they are able to indicate they are rehabilitating themselves and are preparing themselves for return to society, society will give them an opportunity to return. But they must indicate that they have learned their lesson and can make a worth-while contribution for the remainder of their lives.

From that point of view I could not under any circumstances support any amendment to the effect that people be placed in penal institutions, much as people are placed in mental institutions, for the rest of their lives. I think there is nothing more inhumane than to say to a person that there is no hope left for him and that the rest of his life should be spent in a solitary way within an institution. From that point of view some arguments which have been offered have given me a great deal of concern.

At the same time, I believe society in general feels, because of the many things that have happened within our penal institutions, because of the increase of crime in the nation, because of the coddling of inmates in institutions, and because of a breakdown in the effectiveness of the rehabilitation programs that have been in effect in Canada or which supposedly are in effect, that parliament should restore, at least for a limited period, the death penalty because it lays a foundation on which a system can be built which says that at least the paid killers who roam the streets of our nation, if they commit this type of crime will pay with their lives.

If the government is desirous of securing the abolition of the death penalty—and I have no objection to that objective because I believe it is the ultimate objective in an enlightened society—it must first prove to the people of Canada that there is a system operating within our penal institutions which guarantees the ultimate security of the public. I believe there is a very strong feeling among the public generally that the death penalty should be retained because of the lack of confidence members of the public have in the type of penal rehabilitation programs in effect at the present time. While some people may say the two are not related—and perhaps they are not—I think in the main they are. I believe the public feel that because of the way we have been playing around with this subject it is not receiving the protection desired; therefore the public is urging members of parliament to give it the ultimate protection.

[Mr. Coates.]

When parliament moves as strongly against the views of the public as was indicated on second reading, then I believe the public becomes very alarmed about parliament and the fact that parliament does not speak for it. If parliament does not speak for the public on this issue, then it is very easy for the public to conclude that parliament does not speak for it on any issue. I think this is one of the mistakes in respect of this debate and the whole concept adopted by the federal government.

I was very disappointed when the Solicitor General (Mr. Allmand) suggested he would propose the complete abolition of capital punishment by amendment of the original legislation. Then the public really became upset and said that the government did not care what the people of Canada thought. The public generally expressed concern that there was not a full return to retention of the death penalty, and the fact that the government had the unmitigated gall, through the Solicitor General, to suggest that parliament go further and completely do away with capital punishment rather than merely for another five years.

Cartoons sometimes display the views of people better than anything else. An interesting cartoon appeared on the editorial page of the *Daily Colonist* of Victoria, British Columbia, the other day. It depicted the Solicitor General pouting. There was this inscription:

Warren Allmand is my name,
Abolition is my game,
The death penalty is unfair,
As for murder victims, they're gone—why care?
Through the Commons it will be rammed.
Public opinion? Public opinion be damned.

That is the unfortunate history of this debate. This is a description of parliament because parliament does not mirror the views of the public and its apprehension about the state of affairs in this country, especially in so far as law enforcement and penal reform are concerned. At times I believe the Solicitor General could stand a sense of humour. Recently Harold Ballard received a ticket of leave. This type of leave from prison has been provided a great many times to people all across this country, some of whom have committed much more dastardly crimes.

I might say I do not know Mr. Ballard, I have never met him and I do not know any member of his family. I come from Nova Scotia, and he comes from Toronto. However, I can say that this man has a sense of humour, because having done all the things he has done at his age, it must have been a terrible thing for him to face the consequences of his acts and serve a term in a penal institution. He came out of the institution and made some humorous crack about the institution. Nobody in his right mind would have thought the man was serious when he was speaking about filet mignon being served, and this sort of thing. But what did the Solicitor General do? He was really uptight about this. He thought it was shocking and that the fellow should never be allowed out of the institution.

● (1600)

At the same time, in recent history this government is said to have had great compassion for Yves Geoffroy, a convicted killer. He killed his wife. They were so con-

cerned about that man that they let him out of prison so he could marry someone else and provide another mother for his children. To me the situation indicates the type of thinking and the inconsistency of this government as related to this debate. All Harold Ballard did was to admit he still had a sense of humour even though he was in a penal institution. What Yves Geoffroy did was commit an unthinkable act and none of us can have any respect for him. Mr. Geoffroy was even allowed to go for his honeymoon out of the country, whereas Mr. Ballard will not even be allowed out for weekends, even for good behaviour.

Some sense of proportion must be put back into the whole matter of capital punishment, penal reform and all the questions related to the subject before I can support the abolition of capital punishment. I say to this government: Prove to me, to members of parliament and to the people of this country that you have a sensible, realistic and reasonable program.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Louis-Hébert (Mrs. Morin) is rising on a point of order.

Mrs. Morin: The hon. member is not dealing with my amendment in support of capital punishment for kidnappers and rapists, Mr. Speaker.

[*Translation*]

The Acting Speaker (Mr. Laniel): Order. I must point out to the hon. member for Louis-Hébert that the President of the Privy Council (Mr. MacEachen) has himself asked the Chair, when the debate resumed, to give more freedom to hon. members wishing to participate in this discussion so that they may at one stage or the other stray from the amendment. It is, therefore, for this reason that until now the Chair has allowed hon. members to deal in general with this subject.

[*English*]

Mr. Coates: Mr. Speaker, I have dealt with the hon. member's amendment to the best of my ability. I have indicated that, among the other amendments proposed, it is one that should receive consideration. In effect, I have tried to indicate that if there were a return to capital punishment and the recognition of capital murder as an offence that is punishable by death, the amendment proposed by the hon. member would in effect be carried out.

At the same time I indicated—the hon. member may not have heard me—that this type of amendment gives me some concern, not because it is not a terrible type of crime but because people who commit it are usually mentally unbalanced and require a great deal of medical attention, psychiatric or other; and because there would not be the same degree of *mens rea* involved as there would be in the type of crime which resulted, for instance, in the death of Mr. Laporte. In that case the people involved started upon a mission which they knew might very well end in murder. They embarked upon it, they carried out the murder and, in my opinion, they should pay with their lives for having done that.

That is not the same sort of situation as the one that is covered by the amendment. But in some instances, if there were a return to the Fulton formula, where murder is divided so that there is capital murder and non-capital murder, there would be instances where a rapist who murdered his victim would pay with his life because it was capital murder.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I take this opportunity to speak to the amendment of the hon. member for Louis-Hébert (Mrs. Morin) referred to as the Morin amendment, a term which I believe is out of order. The hon. member for Louis-Hébert has suggested attaching to section 214 of the Criminal Code two further categories of crime for which a convicted person would receive the death sentence—not only for the murder of police officers and prison guards but for death ensuing kidnapping, or death which takes place in the case of rape. So now, according to the amendment, we would expand to four exceptions what is generally the abolition of capital punishment as proposed by the government. This creates a conundrum that murder is murder, and why should the lives of certain people be more valuable than the lives of others?

I think we would have to look at this question in another light. If this bill is defeated, then not only would the person who commits murder while committing rape be liable to a charge of murder, and those who commit homicide when involved in a kidnapping be liable to a charge of murder, but it would widen the scope to the degree contained in section 213 of the Criminal Code which provides:

Culpable homicide is murder where a person causes the death of a human being while committing or attempting to commit treason or an offence mentioned in section 52, piracy—

Which would involve hijacking.

—escape or rescue from prison or lawful custody—

Which would cover prison guards.

—resisting lawful arrest, rape—

Which would include the amendment of the hon. member for Louis-Hébert.

—indecent assault, forcible abduction—

Which includes kidnapping.

—robbery—

Which would cover the people who murder bank tellers and customers in banks.

—burglary or arson, whether or not the person means to cause death to any human being and whether or not he knows that death is likely to be caused to any human being—

So really the suggestion of the hon. member for Louis-Hébert that we increase the exception to the government's legislation so that offences punishable by death be not only the murder of prison guards and police officers, but also murder as a result of rape or kidnapping, would be adequately covered if the government's bill were defeated.

● (1610)

I do not believe that we should clutter our statute books with more exceptions. It appears that every day we make an exception to this and an exception to that, rather than painting the broad picture. Therefore, my tendency at this

time is to vote against the amendment, hoping that its proponents will not feel that I am voting against the idea. In fact, I hope that the mover of the amendment will vote against the government's bill, because in defeating it she will gain what she seeks.

Once more we are debating capital punishment, Mr. Speaker. Although I am in my freshman term, it is interesting to me that this parliament has its priorities reversed. For some years there was discussion on changing the family allowance legislation so that many law-abiding people who are contributing in a useful way to society would be better able to do so. Now we have decided to deal with capital punishment, with the government's legislation proposing more benefits for the criminal element and murderers. We are discussing this question instead of trying to help people in need of financial assistance through such means as a revised family allowance plan.

When this bill was first introduced it was introduced with priority over increasing old age pensions. It was introduced with priority over increasing the veterans allowance. It was introduced with priority over reducing income taxes. What I am concerned about is that the government has proposed to confer benefits on criminals with priority over conferring benefits on the law-abiding citizens of the country who foot the bill. I feel that this is improper.

In the month of June, in response to a question from me, the Solicitor General (Mr. Allmand) indicated that at that stage there was no person in Canada who had committed culpable homicide, who had gone through his preliminary hearing, his trial and all appeal stages, including appeal to the Supreme Court, and was awaiting the death sentence. Indeed, I believe that is still the case. But although no person has exhausted all the legal remedies in connection with the killing of a police officer or prison guard, we are spending the time of this House discussing capital punishment. We could easily be discussing family allowance legislation to put more money into the pockets of law-abiding Canadians at an earlier stage than can now be expected simply because we are giving it lower priority than affording murderers extra benefits.

Dealing with this particular amendment—and as others come along I may wish to talk briefly about them—I feel we should not make further exceptions. I hope that the government's legislation will be defeated. If it is, then the Morin amendment—if I may call it so—will take effect because we will be returning to the Fulton formula of 1961 according to which a person, no matter what offence he committed, if he committed a murder in the process could be charged with murder or with the original offence. I say this with some background in criminal law; I prosecuted criminals for over three years in the capital of Canada. I discussed the matter at some length with the senior Crown attorney this morning, just to refresh my memory because I have not been active practising criminal law for a year. I wished to assure myself that this was the case. As I say, the hon. member for Lous-Hébert will succeed if the government's bill is defeated.

[Mr. Dick.]

● (1620)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I do not want to miss the opportunity of giving ny opinion on this amendment.

I wonder, Mr. Speaker, where the government wants to come to. Five years ago, we tenaciously pleaded to maintaining capital punishment in Canada and, in spite of all our efforts, the government succeeded in having a motion passed by the House to the effect that capital punishment would be abolished for a trial period of five years, whereas we had the evidence that 90 per cent of the population was against this legislation. The proposal was accepted and today, five years later, when the law made two exceptions for the murder of prison guards and policemen, such murders occurred and the law was not applied.

Today, we ask for a new extension of five years, and I would like to ignore the bomb the Sollicitor General (Mr. Allmand) launched in this House by saying that he wanted total abolition of capital punishment. I no longer understand anything. In fact I fail to understand the Liberals or the Progressive Conservatives and still less the members of the New Democratic party.

For the NDP, it is a total contradiction. There are in this party disappointing contradictions. They simply want to give death to the fruit of rape, and they are going to vote against the death penalty for rapeists. On one side, they will vote for abortion which is the fruit of rape and on the other side they are going to vote against an amendment asking for capital punishment for those who commit rape. Thus the situation in this House is incomprehensible; it seems to have become a Tower of Babel.

Once again, I wonder where the government wants to come to: does it want to extend indefinitely the study of the matter or is it trying by all means not to submit this question to the people's will. What we are pressing for is a referendum. We are here to serve the will of the people. Let us have a referendum and then we can pass legislation accordingly. But no! We are having lengthy discussions on whether capital punishment will be abolished as well as under what circumstances it should be abolished. I support the amendment introduced by the hon. member for Louis-Hébert (Mrs. Morin) which says that capital punishment will be imposed, and I quote:

(b) in respect of a male person, where such person causes the death of a female person while committing or attempting to commit rape,

Attempting to commit rape. I want to come back to those words because the hon. member for Louis-Hébert corrected my colleague a while ago when she said that the amendment merely suggested that capital punishment should be imposed upon those who commit rape. But the amendment goes on to say, and I quote:

—or attempting to commit rape,

However, if the hon. member for Louis-Hébert reads the amendment carefully she will see that it says "attempting to commit rape." But here again this amendment is a monumental farce. I will be voting for that farce because I am for capital punishment in all cases of murder.

The hon. member for Louis-Hébert says—and I understand her feelings as she is a woman—that when a man

rapes a woman the death penalty should apply. Today there are men who are nearly carnivorous, and she foresees that. But do you know that there are also tigress women who can eat and rape men? Do you know also that there are homosexuals who eat men? In those cases too, let us have a general application of the act.

Homosexuality was legalized but here again even though rape is somewhat legalized today the issue is no longer raised. In the past, rape was punishable by death; today, it is a normal thing. However, I wish to call the attention of the House to a still more serious issue. The death penalty will be inflicted for rape, when we know that rapists are mentally unbalanced like homosexuals. They are sick and mentally unbalanced those who will be condemned to death.

It will readily be seen—and this is what I hate—that it is somewhat like setting up a cock-fight with lawyers. It is easy to imagine the lawyers in court; such a nice fight! Was it a rape or not? The witness is not there, she is dead. Now the rape will be discussed for a year or two and after it is ascertained, it will then be proved that the accused is mentally unbalanced. The death penalty will no longer be involved because it will have been proved that the accused is a sick person. That is why I suggest that the amendment is but a grain of sand, a monumental farce, for it is too incomplete and will lead to interminable discussions before the courts on the matter of rape.

In spite of it all, Mr. Speaker, I think I shall vote for the amendment. I heard some hon. members say they opposed the amendment because they favour restoring the death penalty. To my mind, that is fighting somewhat with opposites, because if you are in favour of the whole, you must also be in favour of the parts, however minimal. I say, Mr. Speaker, that the part is very minimal, but I shall still support it; and I hope the hon. member for Louis-Hébert understands that we are here to do the will of the people. If the people want such and such a regulation to be passed by referendum—the usual procedure—I hope Parliament will respect their wishes, especially in view of all the requests that were sent out, five years ago, to the Minister of Justice. I feel that should be sufficient to prevent once more these discussions that will drag on and will end up with a five year extension.

But, let us at least do the contrary: Let us reinstate capital punishment for five years. It has been removed for five years without success. Let us reinstate it for five years; we will see what happens. Let it be reinstated for five years, but, this time, the minister should cease to commute death penalties into 20, 15 or 7 years of imprisonment. There is no justice any longer. But who prostitutes justice? It is not the Canadian public, Mr. Speaker; it is those on the benches, the lawyers. That is why people do not believe anymore in justice, they consider it as a gigantic farce, and they are partly right.

However, Mr. Speaker, coming back to the amendment, I say that I shall vote for it and I sincerely hope that the reinstatement of the capital punishment will be passed for a five year period.

[*English*]

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I have not availed myself of an opportunity to speak on this measure, but I feel compelled to speak on the motion of the hon. member for Louis-Hébert (Mrs. Morin). In the short time that the hon. member has been with us we have learned that she represents her constituents with a real sense of responsibility. There is no doubt in my mind that when she proposed this motion she had their welfare and the welfare of the majority of citizens of Canada at heart and had no desire for personal publicity.

I have no hesitation in supporting the principle of the motion because I think what the hon. lady is trying to do in this day and age is very sound. She is trying to bring in an amendment to enlarge the jurisdiction of Canada so that the death penalty will apply to cases of rape, attempted rape or kidnapping where murder is committed.

● (1630)

I will not burden the House with figures and with what has happened in the past in this country and in other countries, because that would not be pertinent to the measure with which we are dealing. We are entering into a brand new phase all over the world, and we must evolve new laws and new regulations for coping with the evolution through which we are going. The growing apathy and lack of responsibility shown by many in Canada as well as in other countries is causing many people great uneasiness and concern. We must be guided by something. Perhaps we shall need to control the emotions of those who cause harm to others by instilling a sense of fear or by showing force. We shall need to do that until we are thoroughly convinced that other ways of restraining people are just as effective.

Today there is not that assurance. Today the churches and schools do not influence the thinking and conduct of people as they did in the past. Certainly, our schools do not influence our philosophy of living as once they did. As well, the change in our way of living has brought a change in the influence of the family itself. At one time the family controlled its own members. All this change is happening at once. It is almost as if we are like a ship without a rudder. We are losing many of the guides that determined conduct in Canada in past years. Without those guides we sometimes flounder in our attempts to achieve something.

I do not think what we do in Canada should necessarily be the same as that done in other countries. For example, in the case of the Northwest Mounted Police, whose glorious hundredth anniversary we are celebrating this year, Canada departed from normal practice and established this first-class police force. With it we proved that a few responsible individuals are able to maintain order and peace if they are backed by the authority of government. Hon. members will recall that then we sanctioned capital punishment. At that time passions were perhaps stronger than they are today, and crime went undetected sometimes for months.

I want to deal with the rape aspect of the hon. member's amendment and say why I think it is so necessary to consider imposing capital punishment. We are living in a new age. The young girls and ladies of our nation are without the protection of home and relatives that they had in previous years. Our womenfolk are going out into the world, into the labour force and entering all aspects of Canadian life which are changing. We have industrial

areas such as we never had before. We live in concentrated areas, packed elbow to elbow as never before. Such conditions create tensions and chaotic situations such as we have never before experienced and did not anticipate.

Many crimes take place because our way of living has changed, because many people are concentrated in small areas. We eat differently, live differently and work differently, and our churches and schools do not exert the same influence on us. The family is different too. That is why the crime rate is going up as it has never gone up before. Under these conditions we must take further measures in order to safeguard our people.

Let me deal with the other aspect of the hon. lady's motion, kidnapping. I was interested in the minister's remarks of Monday last. He almost sloughed off the suggestion that we should impose capital punishment for kidnapping ensuing in death and said that where a murder is committed in connection with kidnapping, the murder perhaps was not contemplated. Mr. Speaker, murder is murder, and it is only one man's opinion against another as to whether murder was contemplated or not.

As society becomes more complicated and more affluent, and tremendous sums of money become involved in our dealings, the temptation for kidnapping is greater than ever in history. Many countries worry about the safety of their ambassadors and respresentatives living in other countries. These people are being kidnapped and held for ramson, sometimes with disastrous results. In air piracy, entire groups of people are exposed to what may be contemplated murder.

In considering the phase into which we are now entering, and the new lifestyle which is now emerging in Canada as well as in other countries, it behooves us as representatives of the people to look at these questions in a manner different from that of five years ago. It is no use the government saying that there is no proof that capital punishment will restrain any of these violent crimes since, equally, there is no proof that it will not. Should we, as representatives of the people who are concerned about the safety of the nation, gamble and say that perhaps capital punishment will not act as a deterrent; or should we assume our responsibilities of safeguarding the majority of Canadians against the violence of the majority, and not gamble? This is what we must consider seriously.

In some quarters one hears tremendous expressions of sympathy for a minority of people involved in these crimes. It is said, perhaps on compassionate grounds, that what was done was not contemplated, that it was an accident or the result of undue influence of drugs, intoxicants or something like that. For how long can we make excuses for those who commit these crimes and show such callous disregard for their victims and the families of their victims? I do not think we are justified in adopting that attitude. That is why I have no difficulty in supporting the amendment of the hon. member for Louis-Hébert.

The hon. lady's amendment amply reflects the majority feeling of the people I have the honour to represent. The people of my riding—as of the hon. lady's, I am sure—are most concerned about what is going to happen in Canada. Fifteen years ago we did not think that women would be afraid to walk the streets of our cities at night. We did not think that police would patrol in pairs for reasons of additional safety. We knew what was happening in other countries; we did not think it could happen in Canada. I wonder if the softening of our laws has perhaps not contributed to some of the conditions we face today. Some say that the crime rate in Canada is not increasing more quickly than anywhere else. Certainly, once our society became more permissible, conditions were ripe for the violence that existed in other countries to be introduced into Canada.

● (1640)

I am very pleased to have had an opportunity to speak on this subject today and lend my support, on behalf of the people I represent, to the hon. lady. She is to be complimented for the fact that in her first session in this House, and on a subject as deep, complicated and as important as this, she has taken the time and trouble to research the subject and to assess the feelings of those she has the honour to represent. As a woman and a mother, she has brought this amendment to parliament. I have the greatest admiration for her and I ask the House to support this amendment.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like in turn to make a few comments on the amendment now before the House.

Like many members, I have participated in the debate on second reading and I find the amendments under consideration very thoughtful. I agree with the remarks of the previous speaker and with the congratulations that he has offered to the representative from Louis-Hébert (Mrs. Morin), in view of the value of the said amendment as well as its necessity in the present context.

According to the amendment now before the House, capital punishment would apply in cases of kidnapping or rape following which the victim is murdered. Now, it is important to recognize the merits of this amendment in view of the problems which multiply every year and that we experience in our life. According to me, the fact of presenting this amendment at this stage is justified and altogether timely if the problems facing our society because of this are to be seriously acknowledged.

Of course, the member who spoke before dealt with the major changes which happened in our society and showed that our traditions and certain principles are unfortunately fading away, and that the influences certain sectors had on the good behaviour of citizens have also diminished, if not disappeared. That is why then I think that it is more and more becoming that this amendment be adopted and, according to me, if we had a real national enquiry 95 per cent of the people would be for this amendment.

I think quite honestly that 95 per cent of the people welcome this amendment which perfectly satisfies the needs for security which they are entitled to.

This amendment is important, most significant and very well presented. I too take this opportunity to congratulate the sponsor of the motion. I also wonder how this amendment can be implemented, in the light of the statement made by the Prime Minister (Mr. Trudeau). In fact, he said quite clearly that as Prime Minister he would certainly not be in favour of the death penalty.

We know perfectly well that in our present system, it is up to the Cabinet to allow or disallow the application of the death penalty. I therefore feel that it would be very important for all hon. members to demand that the Prime Minister agree to respect the decision and the will of this House. If you look at the statistics of the past five years, you will see quite clearly that Parliament had decided to suspend capital punishment, except in two instances, the murder of a policeman or a prison guard.

We know perfectly well that this decision made by Parliament has not been respected. In fact, we are now presented with this legislation aimed at continuing this experiment for another five years, and at considering the possibility of maintaining the death penalty for two categories of murder, namely the murder of police officers and prison guards. The amendment now before us provides for the death penalty in two more cases, rape and kidnapping where the victim is murdered, but we are never given any assurance that the Prime Minister will respect either this amendment or the decision that will be made.

If this amendment gathers the support of the majority of the hon. members—and I hope that it will—in view of the Prime Minister's statement, we will have to question ourselves seriously, we will have to believe that we are speaking in the wind, unless the hon. member who introduced the motion can obtain from the government the assurance that it will respect the decision of the majority of the members. I think that people expect the government to respect any decision taken by Parliament on such an important matter, which is one of those rare occasions when a free vote is held. And the majority of the hon. members have proved that this is so; they are expressing themselves freely.

Thus, it is imperative that the Prime Minister, in this debate, should commit himself in a very particular way to respect the decision taken by Parliament. Then, we shall have good reason to believe that the amendment will be followed through, which I hope.

Of course, at the second reading stage, I brought up many times, in my speech, the importance of establishing prevention procedures. The Solicitor General (Mr. Allmand) can talk of rehabilitation.

Much has been done in the last few years about rehabilitation. I think it would be more important to try to establish prevention procedures in our society.

I am doubtful in my mind about rehabilitation at 40, 50 or 60. But where the government has much work to do, for the prevention of cases such as those mentioned in the amendment, is in the development of prevention procedures. To identify dangerous environments which effectively are responsible for young men going wrong.

I believe that capital punishment is not a solution per se, but considering that we do not seem to have more valid solutions, I believe that a person which has taken upon itself to take the life of a citizen deserves no less than death. Kidnapping or rape followed by murder is a very serious offence which has been more and more current these last few years. So, considering the fundamental changes in our society, it is interesting to note that the hon. member for Louis-Hébert has moved this amendment which is the perfect answer to present-day needs.

I hope most hon. members will support this amendment which meets present needs. Indeed, there was no need for it 15 or 20 years ago, but every day we witness some unfortunate incidents which makes it necessary to implement such a measure.

I do hope, Mr. Speaker, that the few comments I made on this amendment will receive the support of a majority and, above all, that the Prime Minister will undertake to comply with the decision made by most members of this House. Then, we shall have done a good job.

● (1650)

[*English*]

Mr. Bill Clarke (Vancouver Quadra): It is over two months ago that I rose in the House to speak in the debate on capital punishment. Now I find myself on my feet again. I should like to reflect on one or two remarks I made in May which I think have some validity today. I said the question of imposing the death penalty was one of the problems which plague our society. I said the government had brought down stop-gap legislation to be dealt with at a time when we should be addressing ourselves to economic issues of real importance. I said the Criminal Code already contained provisions adequate to deal with this subject, so the legislation need not be brought in at this time.

I said, further, that it was a bad bill, so confusing that the abolitionists would support it even though it provided for capital punishment. In my view, the bill gave the abolitionists no real choice when it came to voting. It was typical of the government to have behaved in this way. If they had felt this was an important issue, they could have called parliament together in November or December to deal with it. In fact, the official opposition urged the government to do just that. Nevertheless, here we are today concerning ourselves, at this point, with an amendment moved by the hon. member for Louis-Hébert (Mrs. Morin).

A great deal has been said since I made my own contribution to the debate earlier this year. I am still in favour of capital punishment; more so, if anything, having heard the speeches made from the other side of the House. I favour capital punishment. For this reason I find myself in agreement with the amendment. At least it is a step in the right direction. If I had a choice, I would go further than the amendment does, but we have to start somewhere.

It is curious, but if this amendment is passed it might deter someone from voting in favour of the bill as amended, for the reason that the bill calls for capital punishment for the murder of police officers and prison guards, and someone who agreed with that might take the view that a rapist was a sick person and should not be sentenced to death. This is a further indication of the fact that one law is needed for everybody. We do not want various degrees of capital punishment—I guess there is only one degree of capital punishment. There is capital murder, which is described adequately in the law, and therefore we should have capital punishment which would then fit the crime. There is no suggestion we should hang or otherwise execute someone who had committed a murder on compas-

sionate grounds. It is wrong to have two categories of murder, one allowing a special status to prison guards and police.

If murderers are to be sentenced to life imprisonment, it is true there is no further penalty, which would deter them from escaping by whatever means possible, including murder. The worst that could happen to them would be to return to serve a further life sentence. If the law were less confused, its administration would be less confused and the government of the day would not be faced with the difficult task of deciding whether to commute death sentences or not. We have heard about the dilemma confronting juries which may feel clemency is deserved in certain cases. But again, if there were a rigid set of rules, juries would not be faced with this problem.

We are living today in a complex society, one in which it is impossible that each individual should receive the attention he might wish to receive or which he may think he deserves. In these circumstances, rigid rules are needed so that people may know where they stand. I am amazed at the arguments put forward by the abolitionists. They say it is the fault of society that murders are committed, and that murderers should not be put to death. I counter this assertion by saying that in today's complex society, if a man cannot cope with the situation I do not think there is any way in which the do-gooders will be able to correct him after he has committed a murder.

They say killing is wrong. Well, it is only wrong some of the time. They condone killing in the course of a war. Also, I am sure, they would not submit to a personal attack without reacting. And perhaps murder would be the result of that. They also say capital punishment has no deterrent value. I suggest that capital punishment is a deterrent, as are other penalties. We are brought up from earliest childhood to know there are penalties attached to certain acts, whether a spanking on mother's knee or a slap with a ruler in the classroom or, later on, a fine for some breach of the law, or a jail sentence and, finally, the death penalty. People are educated to understand that acts which are abominable to society are subject to penalties.

Statistics cannot prove that capital punishment has no deterrent value because, of course, the crimes which are prevented do not form part of the statistics. I find it curious that the abolitionists should feel they must pay more attention to a very small group of murderers who are probably not worthy of their consideration, while forgetting the millions of old people who built this country and who are suffering a worse fate, probably, than imprisonment. We have heard about the state of our prisons these days. They have been likened in the press recently to motels and nice vacation resorts.

We have heard many arguments put forward on religious grounds but there is no clear consensus emerging from them. There are clergymen in this House whose opinions differ on this question, and anyone who wishes to quote scripture can certainly find a text which will suit whatever argument he wishes to present.

The Acting Speaker (Mr. Boulanger): Order. It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, private bills and notices of motion.

[Mr. Clarke (Vancouver Quadra).]

Mr. Reid: Mr. Speaker, I think there might be agreement to take item 7 in the name of the hon. member for Fraser Valley West (Mr. Rose).

Mr. Knowles (Winnipeg North Centre): Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Simcoe-North (Mr. Rynard)—Transport—Request that measures be taken to avoid accidents which result in drownings; the hon. member for Sault Ste. Marie (Mr. Symes)—Regional Economic Expansion—Northern Ontario—Joint action with province to formulate co-ordinated development plan; the hon. member for Egmont (Mr. MacDonald)—Transport—Increase in freight rates in Atlantic provinces—Possible government action to offset serious effects.

● (1700)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

PUBLIC SERVICE

MEASURE TO ESTABLISH ADMINISTRATIVE REVIEW BOARD

Mr. Mark Rose (Fraser Valley West) moved that Bill C-36, to establish an administrative review board, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I am sorry to see the President of the Treasury Board (Mr. Drury) leave the chamber. I know he will be around for the debate tomorrow on the Olympic bill, but I have something to say which perhaps compared to any other business will be more meaningful to this particular minister than any other.

My initiation of this debate today through the means of private members' public bill C-36 comes, I hope, under the heading of a positive suggestion designed to ameliorate certain problems I have encountered since becoming a member of this House. It could be argued, I suppose, that the matter with which I propose to deal could have been handled better under a resolution rather than a private bill. But whatever the means, I believe it to be important to make the point here that a problem exists, and with an ever-growing public service this House should begin to

concern itself with a solution which may not be possible through some other measure.

For the benefit of those members wishing to speak in this debate, I will summarize the problem and my suggestions for a solution before I go into any great detail. Let us take the case of a public servant who has a problem, who has been denied a promotion, who has been allegedly unfairly discplined or who has been refused a transfer to some other area of the country. This public servant, after exhausting the normal avenues of appeal or grievance through the Public Service Staff Relations Act, comes ultimately to his MP seeking justice. Usually, the MP has little alternative but to write the minister seeking a review of the case on behalf of the public servant. The minister sets the wheels in motion. Perhaps he has time to do little else. The case ultimately filters down to the public servant's superior who made the controversial decision in the first place.

I am sure many members have had this experience. Hence the problem. How much of an independent appeal or disinterested review of this man's case can be expected when the person in charge of the review is the identical person who made the original decision which is being questioned by the public employee through his MP? This is why as a proposal to get around this problem and to achieve a better method of dealing with grievances, I have suggested the establishment of an independent administrative review board.

Today, then, I would like to make a positive suggestion by calling for the establishment of an administrative review board to provide protection for our federal employees. Like many MPs, I have constituents who are federal employees and sometimes, because their problems are so desperate, they have written to me for assistance. Having made many representations on their behalf, I have begun to appreciate why they express such bitter exasperation.

I recall a specific case of a couple of years ago. A constituent whom we will call Mr. Jones had accepted a position in the Northwest Territories. Although he had accepted a position in the Northwest Territories, he still wanted to keep in touch with British Columbia. Most people who visit British Columbia feel the same way. However, the department could not accommodate his preferences. So because of other latent dissatisfaction, Mr. Jones applied for a transfer to northern British Columbia.

This request was denied by the director in Edmonton. Subsequently Mr. Jones applied for a transfer from the region. When this was turned down on the basis of there not being any vacancies, Mr. Jones appealed to me. I, in turn, appealed to the minister—in this case the then minister of national health and welfare—who generously agreed to review the case. The minister's reply was the same as the director's. It is no wonder. The minister passes the request on to his staff, who in turn pass it on to the deputy minister, who passes it on to the assistant deputy minister, who passes it on to his assistant, who passes it all the way down the line to the director in Edmonton, who prepares a reply for the minister, which eventually is passed on to me, and in turn to the constituent.

The trouble is that the director in Edmonton who prepares the reply for the minister is the same director who makes the decision in the first place. How can one expect anything else? A dispute such as this is a matter of interpretation. It is necessary to allow other interpretations to be heard by an impartial judge or board. Otherwise we have a situation of the proverbial sheriff who is also judge, jury and—if you will forgive me—executioner. Under the present system, how are the Mr. Jones's to get a fair hearing? I have a case involving a lady who worked in the UIC office. She wrote me and said:

> If there were promotions the young got them without competition. The older had to apply and in most cases were told they didn't have the qualifications even in some cases for their own jobs. Even the casual young got preference over permanent older employees. They have tried to put in grievances through the union but the union rep. are employees and are working for promotion, so side with management.

I think that is natural enough. We all remember the celebrated case of Ann Booth. Miss Booth was striving to be a Liberal candidate and was dismissed by the CRTC. Her case was heard by the committee on broadcasting. I believe it was a unique case so far as civil servants are concerned. The broadcasting committee had power to recommend. Although the committee did make a recommendation, Miss Booth was unable to regain her position after she had been dismissed on the ground of political activity.

It is cases like those I have described which caused me to reflect on the present grievance procedure within the public service. As an example of the administrative inquiry, the grievance procedure itself tends to allow management to confirm their original decision. There is a tendency for people to want to save face and to back up their colleagues. I do not blame the individuals. It is quite natural for people to want to defend themselves. We all do it. This is not something involving merely civil servants or politicians. The point we must consider, however, is whether this allows for the fairest and most just appeal. And I would argue that this is not the present case.

I would suggest that an alternative to the present structure would be one similar to that of the Pension Review Board of the Department of Veterans Affairs. This board was introduced after considerable and persistent pressure had been applied by the veterans' organizations. The veterans' organizations argued that a new appellant procedure was necessary, one that would add a Pension Review Board that was independent of the department. Both the veterans' associations and the department are pleased with the new board. They have found that it has reduced much of the animosity that was felt previously in the department and directed toward the department. They suggest a number of reasons this is so. Today, I think one of the reasons, the most important reason, for separation is that separation itself allows a guarantee of protection for the case. But the veterans have found, as well, that within the new structure there is less pressure on the lower levels of the grievance procedure to want to be tight-fisted when it comes to handling the grievances of the veterans. So the net consequence has been liberalization—if you will pardon the expression—all along the line.

● (1710)

If we compare the new veterans' structure with the present public service grievance structure, we find that

there is an outstanding difference. The present grievance structure is limited by section 91 of the act which provides:

—having completed the three levels of grievance, the adjudication is limited to cases of interpretation or application in respect of the employee, of a provision or a collective agreement or an arbitral award or the disciplinary action resulting in discharge, or suspension or financial penalty.

Of course, this leaves a great number of areas of grievance outside the bounds of the adjudication process. I submit that a review board would provide greater latitude to hear such grievances. But a call for fairness or justice is not just a moral question; it is not solely confined to a moral question. I think this is a very important point. It is also a matter of good organization. How badly has the morale of our public service been worsened because public servants do not have confidence in their grievance procedure? I submit, also, that they do not have confidence or the feeling that their rights are protected at present.

We note similar discontent among railroad workers. At present railroads have a court mechanism to hear grievances, but this court is staffed by the employer and it is responsible to the employer alone. Therefore, in effect it acts as a kind of kangaroo court. Decisions are known to have been made by this body that would never have stood up in a proper court, but it was all right for the kangaroo court. These decisions have resulted in disciplinary action—I have a sheaf of them—or brownie points, as they call them on the railroad, and in some cases even in dismissal.

Some might say that such a kangaroo court can be eliminated, depending on the bargaining power of the unions. However, the old-line parties have never exhibited an interest in rectifying the situation. Indeed, some have argued that the managements of railroads know that they can be a stubborn bargainer because the old-line parties will always send the men back to work if they dare to strike. They might be on the brink of such a situation at present. If that is the case, then we must be able to find some other means by which employees can express their grievances to management. In my opinion, a review board that is independent of the present administration in the civil service or even in the rail companies could allow for a more fair and more impartial hearing of grievances. Accordingly, the decisions that it would make would be treated with more respect and confidence by the men if the board and its members were truly independent of the government and of management.

This bill, then, is in response to the many frustrated individuals who have made representations to me, and I sympathize with them deeply. I have even to some extent sympathized with the ministers of the Crown because I realize that it is not ill-will that sends the representation to the person who makes the decision, then back through the minister to me and brings back the same answer that was given in the first place. I know it is not ill-will on the part of the ministers but, rather, it is a question of organization. The present administrative organization does not allow for the kind of independent review board that would be satisfactory to both parties. Usually it is only satisfactory to one party, and that is what is wrong.

If one were to examine the many individual cases, one would find that the majority of these grievances are due to

the fact that the federal government is, in a sense, a far-flung empire. We have people dispersed all over Canada, and therefore there exist many intermediaries between the individual with his problem and the minister in Ottawa. Of course, that leaves a lot of room for many personal problems and for tension, and that is what we have. Tension, if it is allowed to continue at a high rate, is bound to affect morale. It means, of course, that the minister must rely on his staff to provide the answers. Unfortunately, his staff is often the same staff that made the decision in the first place.

Common sense tells us that the most effective way of ensuring a fair examination of any case is to appoint someone different. someone other than the person who made the decision, to consider it in the second instance. What we must come up with is an effective substitute for physical proximity because our public service is dispersed. I hope that this review board will be part of that mechanism and will act to bring the two parties closer together.

To conclude, may I say that I know someone from the other side, and perhaps also from this side, will make the observation that the independent review boards under the Canada Pension Plan and considering veterans' cases are client-oriented and there is quite a different relationship between client and government agency and employee and government agency. I think it is a fair to say that to extend this principle of an independent review board—even though the two situations in the examples I have given are not congruent—is a worthy one. So it is worth while to consider that the principle of independence in terms of grievances is a valid one. Someone will say also that it should be done by the unions. I do not think the unions have that power within the present Public Service Staff Relations Act in their grievance procedure, and there are other impediments in the way.

In conclusion, I should like to say that in my view the federal government must set a good example for an effective employer-employee relationship and I believe that the place to start this is within the public service.

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I find it particularly expedient that the bill standing in the name of the hon. member for Fraser Valley West (Mr. Rose) should come up for debate at this time. Anybody who helps to unravel and to make more digestible the mass of regulations, directives, rites, orders, controls and massive red tape which thwart and frustrate the contribution and working practices of hundreds of thousands of civil servants would be welcome, provided that such a board did not in itself constitute a further hazard to dealing expeditiously with the thousands of complaints and inequities which exist within the public service at present.

There are approximately 250,000 persons in the public service of Canada, and I am sure many of them feel they have justifiable grievances which they are hesitant to air through established procedures. An administrative review board, an independent body, might provide the outlet they seek. I have mentioned that there are some 250,000 persons in the public service of Canada. Of these, 63,000 are women. The federal government is the largest employer of women in the country. But the Archibald report on sex

and the public service found that 83 per cent of these women were concentrated in administrative support roles.

An hon. Member: This is where they belong.

Miss MacDonald (Kingston and the Islands): This concentration does not reflect the levels of education or the competence of Canadian women. It was reported earlier this year that only 25 women in the public service earn more than $26,000. Another report I have shows that of these public servants earning $20,000 or more, 97.3 per cent are men while only 2.7 per cent are women. Whichever way it is viewed, the status of women in the upper echelons of the public service is admittedly bleak. I mention these figures to stress a matter which was raised in this House yesterday.

● (1720)

The President of the Treasury Board (Mr. Drury) was questioned about the abhorrent practice of rug-ranking which exists among women employees in the public service. This practice, which has existed throughout all of the five years in which the hon. member for Westmount has held that portfolio, is one to which the government has devoted minimal, if any, attention. This discriminatory practice was forcibly brought to the attention of the President of the Treasury Board in a recent brief submitted by the Association of the Public Service Secretaries. It had to be pointed out to the minister that rug-ranking is a system by which a secretary's job level is determined by the importance and rank of her boss rather than by her own abilities.

The brief recommended the immediate adoption of a point-rating system and an honest appraisal of the secretary's value and potential in working as part of the management team rather than as a chattel. The President of the Treasury Board, regrettably, had not read the brief of the Association of the Public Service Secretaries. When it was explained to him, he reacted with sympathy, so it is said, but with very little in the way of recommendations. In his reply yesterday he said that if members can suggest ways in which the situation can be corrected, he would be glad to consider them. He said he tought that the problem appeared to lie with the inability adequately to rank secretaries according to their competence. I do not think that approach, or that reply, is adequate to meet the situation which exists among women in the public service today. I think that a much more positive and practical approach on the part of the government would commend itself not only to women in the public service but to women in the country generally.

The report of the Royal Commission on the Status of Women forcibly pointed out the basic difference between equality of rights and equality of opportunities for women. In speaking to this bill submitted by the hon. member for Fraser Valley West (Mr. Rose), I contend that if an administrative review board could have the effect of helping to correct the inequities to which women in the public service have been subjected for years, it would be a worth-while measure.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I agree with the hon. member for Fraser Valley West (Mr. Rose) when he says that a board should be created not only to look out for abuses, but also to supervise federal government agencies. Here is the purpose of Bill C-36:

> It is the function and duty of the Board to investigate and review any decision or recommendation made relating to a matter of administration and affecting any person or body of persons in or by any department or agency, or by any officer or employee thereof in the exercise of any power or function conferred on him.

Mr. Speaker, to my mind the bill is excellent from the administrative point of view. I should like to mention just one example to prove it. In the Canadian civil service, we need competent people, with a good command of both official languages, in order to provide services to the public. I know very well that there is a shortage of personnel in some federal departments.

Not long ago, a physician from Hull phoned me to ask if there was a job opening for his son-in-law. He is a young university graduate of 29, fully bilingual. He made an application and received an application form to fill from the Public Service Commission of Canada; he wrote an examination whose results were excellent: he got a 83% mark. But he was told on the phone by a Public Service officer: "If you had some political backing there would be some chances for you to get that job".

This has just happened, only 15 days ago. Mr. Speaker, I do not accept this procedure in the Public Service. They should take into consideration the skills of the candidate, not his political affiliation. Whatever he may be liberal, socred, new democrat or conservative, everyone has the right to earn a living in Canada and if after passing a serious examination there is a department which needs his services, he should not be told that he would need some assistance from a minister or some political organiser to be immediately hired to fill the position for which he made an application.

● (1730)

Mr. Speaker, this is terrible. And the guy gave me the name of the person who suggested to him on the phone that he find someone to obtain this position through political influence. Can you imagine that? If this is not settled I will disclose in the House the names of the people involved and I will show them what stuff I am made of.

Patronage dispenses do exist in the public service but there are even more of them among politicians and organizers. That a liberal, a new democrat, a conservative or a socred should recommend someone to help him get a job, I have no objection provided his application is treated fairly. They should take into account competence and bilingualism within the services—and God knows that we are short of bilingual and competent people able to speak both official languages fluently—because there still exist departments where we are dealt with in English. I do not want those people to be fired or told they are going to be replaced immediately but we need bilingual personnel in many departments. I will give the example of a federal organization, of a Parliamentary organisation: the Treasury Board. I am not referring to the Quebec, Ontario or Nova-Scotia Treasury but to the federal Treasury Board which should be controlled by a review board such as that mentioned in Bill C-36.

We need bilingual secretaries but we are told by the Treasury Board that they are short of money. Therefore we cannot get any secretaries. The other day, I was reading a list of people made available to political parties. I noticed that four press attachés were made available to the leader of the official opposition (Mr. Stanfield) and that some were paid up to $25,000. per year. As for me I have been requesting one for three years and did not get even one. I do not know whether the leader of the New Democratic party (Mr. Lewis) has one but I know that the leader of the official opposition has four. We are told by the Treasury Board that they have no money.

It is that same Treasury Board which decides to spend thousands of dollars to have beautiful wall-to-wall carpeting and special tapestries fitted in ministers' offices. They are throwing money out of the windows because they are in power. And those from other parties who need help are set aside and are denied secretaries and press attachés under the pretence that we are a small group in the Commons, as if we had no right to be treated on the same footing as any other political party.

If there were not a board of patronage dispensers but an independent board as proposed under Bill C-36 to contend with abuses, to pintpoint them, to inform the people on the ways money is spent in Ottawa, we would probably be better served by the Treasury Board. It is a federal agency. I will be told that it is a matter of internal administration, but nevertheless it is a federal agency. An internal administration to offer everything to big parties and nothing to the other ones, I am fed up with that, Mr. Speaker, and no matter who sits on that internal administration board it is all the same to me, but I say that there are abuses and that we are not treated fairly. There you are!

If a board could tell the Treasury Board: Listen, take it easy with the rugs, they are almost six-inches thick and you practically need snowshoes to walk on them, I would agree, Mr. Speaker, you should come and have a look at the sort of rugs we have in our offices. I think that they are ten year old hand-me-downs from the ministers' offices. it took me six years to get air conditioning in my office on the sixth floor of the Centre Block, six years to get a small unit that doesn't even work that well. It is better than what I had, which was nothing, but it isn't very effective. It must have cost about $150 or $160. It took me six years to get that. The Treasury Board didn't have any money before that, it was "broke".

Now, I am asking for assistance, because my office is overloaded with work, and I'm told: We do not have the necessary money to give you a larger parliamentary secretariat. Mind you, what I am asking for is not a secretariat for my own riding, but one to deal with all the correspondence we receive from all parts of Canada. We do not even have the means to answer all the letters received, because the Treasury Board says: We have no money.

Mr. Speaker, Bill C-36 provides for the setting up of a board composed of five members, independent of any political party, and not one which would take charge of the publicity or the propaganda for the party in power, or the official opposition party, the New Democratic Party or the Social Credit Party of Canada. It would be a board made up of independent members who would watch over

expenditures in Ottawa. Then you would see a change, considerable savings, and fairer treatment. You would no longer hear what I said in my opening remarks: If you had a little help from the bosses, a bit of political "pull", you would get the job you want, for which you applied.

Mr. Speaker, I said before that I would give names. I shall not give them today, but the House may rest assured that I will do so because I will not put up with a bureaucrat saying: "Go and see the political bosses and you stand a very good chance of getting the job"; when you are told bluntly: "We need you but we cannot hire anybody until we get the okay from a member of the party in power." This is what is going on at the present time.

If Bill C-36 could only open up the eyes and ears of those who are responsible for hiring, it would serve a useful purpose. If Bill C-36 only allowed the hon. member who introduced it to express his views and allowed me to express mine about the absurdities that occur not only in Ottawa but throughout the country it will have been most useful. We are told the same thing in Quebec, as far as the federal government is concerned and in western Canada: "You did not accept the party in power and you will be punished for that."

Mr. Speaker, I think that the time for punishment is over. We need justice. We must treat people as human beings, regardless of their political affiliation. It is normal to speak about elections during the electoral campaign, but once it is over, it is very bad to reward one at the expense of the other, or not to take ability into account. I think this has lasted only too long. That sort of thing took place 40, 30, 25 years ago but in 1973 it is outmoded. Then we should get back in fashion. Let us bring in the fashion of dealing with Canadians; let us treat them as Canadians and not as supporters of political parties, which is something I deeply regret right now.

• (1740)

As for Bill C-36, I know that it will not pass. It will not be voted on. The parliamentary secretary to the minister is prepared to rise in order to talk it out. Another member will rise to speak. We will not vote on that bill, but yet it has its significance, if they wish to put some order in the federal administration, since there is none right now. We must provide for more justice in the administration; we must administer in view of the country and not the party.

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, one of the pleasures of a member of this House of Commons is to listen to the hon. member for Témiscamingue (Mr. Caouette). However, I would say that it is not really a pleasure to have to follow him after he has just made a speech in this House. He has a command of language and imagery, although I would not want to confuse that with having a command of logic and necessary facts. While he was speaking he did, almost by accident, it seems to me, touch upon some of the things covered by the bill.

Perhaps I might reply to him and answer a number of questions that he raised outside the scope of the bill but which I believe to be rather important not only to him but to all other members. They deal basically with the provi-

sion of staff for members of parliament and particularly for the leaders of the parties.

Hon. members may not be aware that for some time now I have tried to place on the order paper a question designed to find out exactly the staffing provided by the House of Commons for the leaders of the various political parties. That was not possible because that information comes through the Speaker of the House. However, I want to tell the hon. member through you, Mr. Speaker, that I did obtain that information. It is available and I will undertake to have it delivered to his office tomorrow so that he can be aware of exactly what staffing is provided through the House of Commons to members of parliament and particularly to all party leaders. He will be able to discover the formula that is used for the allocation of the moneys of the House of Commons to provide him with his staff.

● (1740)

Concerning his office furniture, rugs, and whatnot, I am happy to tell him that he is not being furnished with cast-offs from ministers but that it is all new. He does not need to worry about being given what ministers no longer want. I hope the hon. member will understand that there is a distinction to be drawn between the administration of the civil service and the House of Commons; it is not a case of Treasury Board being niggardly in the provision of services to members of parliament but, rather, of our making a judgment as to how much we require and how this amount is to be divided between ourselves.

I should like to turn to the subject matter of this bill. Until the hon. member for Fraser Valley West (Mr. Rose) agreed to bring it forward last Friday, I had not had an opportunity to look at it. I wanted to find out what the government thought of this bill and whether or not it should be proceeded with. Unfortunately, there was some difficulty in determining the precise nature of the bill and there was confusion over a number of the phrases contained in the bill.

I will not go into detail except to say that it was felt that the drafting was not adequate. There was confusion as to whether the hon. member was trying to deal solely with the grievances of public servants which arise from time to time or, perhaps, more importantly, with the grievances which citizens being served by public servants might have. Apparently we would be dealing with two different aspects. However, the wording of the operative clauses was such that it was not clear to the officials who examined the bill or to myself which route we ought to take.

Unfortunately, today I am in the embarrassing position of having prepared some remarks on the ombudsman aspect which applies to citizens and not on the aspect to which my hon. friend addressed himself, which is specifically how we deal adequately with the grievances of public servants who feel that they have not obtained a square deal from their immediate supervisor.

I will be the first to deny that this is not an important subject and not an important area of concern for many public servants. Like the hon. member, I have had occasion to take up the cause of public servants who feel they have been wronged and not treated properly by a supervisor. Unfortunately, members of parliament often have not been able to act because there is a union organization in the field which is responsible for considering these grievances, taking them up with the government and arriving at adequate solutions. These organizations are new in many areas, particularly in areas such as the one I represent, which consists of a considerable area of northern Ontario. These unions have not been able to set up a properly functioning operation in order to process the grievances of public servants in such areas. I have taken up a number of cases but have not been able to obtain complete satisfaction. I have not satisfied myself or the public servants involved, because we have always had to reckon with the interposition of the union between the public servant concerned and the government.

Whether we think they are efficient or not, we must recognize that unions are responsible for considering grievances brought forward by their members, and they must deal adequately with those by approaching the Public Service Commission or Treasury Board, as the case may be.

The bill brought forward by the hon. member indicates that he feels, as do other members, that some other method must be discovered for dealing with these matters. At the moment he obviously feels that the present method is not satisfactory, and I tend to agree with him. My solution would not be one which he proposes, namely, the setting up of an independent administrative tribunal, but, rather, one which encourages, perhaps even forces if necessary, the union involved to take up the cudgels on behalf of its members.

I recognize the dilemma involved in setting up a properly effective and operative union organization in this way, give the nature of our country and the difficulties inherent in screening properly the quality and quantity of complaints brought forward for attention. Without doubt the problem is genuine. However, it is my feeling, having been here longer than I care to recount, although not as long as the hon. member for Winnipeg North Centre (Mr. Knowles), that setting up another piece of bureaucratic machinery in the form of an administrative review board would not be satisfactory.

Such action would not take into account the actual operations of bureaucracy and of similar organizations in our society today. This comment is valid not only for government bureaucracies, but, as well, for all large organizations, because they all tend to exhibit the same kind of behaviour. For example, the behaviour of a large private organization such as General Motors is not significantly different from that of a bureaucracy connected with a department of the federal civil service or with a provincial government. Bureaucracies tend to operate under very much the same rules of survival. Consequently, it seems to me that the hon. member's proposal for setting up an administrative review board, independent and unpaid, to adjudicate and make decisions, does not take into account the way in which bureaucracies operate.

I refer the hon. member to the studies of C. Northcote Parkinson on the operation of bureaucracies, to the book "Parkinson's Law" and subsequent developments of it, and also to the two invaluable books on the Peter principle. These, I think, are useful in determining the nature of bureaucracy and what can be done about it.

It strikes me that the problems public servants face at this time in this place will not be solved by this bill. That is not to say that the problem has not been recognized and that action has not been taken. Let me advise the hon. member that action has been taken by this Parliament. Let me give him a brief history.

About two years ago the then minister of manpower and immigration, who is now the Minister of Justice (Mr. Lang), announced the establishment of the Bryden Commission. It was to examine the workings of the Public Service Staff Relations Act. Its work culminated in the Bryden report which, due to the interposition of an election and other matters, was never seriously acted on by the government. As a result this Parliament, on April 17, passed an act which gave an opportunity for Mr. Jacob Finkelman, who is widely respected for his ability to mediate between employees and Treasury Board, the Public Service Commission and other employers, to take leave of absence in order to carry out a further study that will complement the Bryden report.

That report was never presented, mainly because by the time it came out it was considered to be out of date. The president of the Public Service Alliance asked the government not to proceed with it and the government acceded to the wishes of the union as well as to the wishes of its own management side, which in this case I believe was Treasury Board and the Public Service Commission. That study is in the process of being carried on. A time limit has been put on it.

It is anticipated that following our summer recess, if we ever have a recess, this matter will be brought forward and legislation, if required, will be introduced in the House of Commons. So this matter has been under consideration by the government and two studies have been undertaken. The co-operation of the various public service unions is being sought as well as input from the management side. Attempts are being made to understand the problems connected with this delicate subject, and perhaps some time in the fall there will be an opportunity for some committee of the House of Commons to carry out a study of its own, if that is felt necessary. As a result legislation would be introduced by the government to clarify some of the difficulties which have arisen in what I suggest is the trend setting legislation passed in 1966.

● (1750)

The federal government was the first government in Canada to provide union representation to its employees. In working out this new system and developing the new relationships, moving from a paternalistic relationship to a relationship based on equality, there were difficulties. However, progress has been made and we are headed in the right way. I do not believe the solution to this problem lies within the confines of Bill C-36. Regretfully I must say I hope it will not be proceeded with when we leave this place at six o'clock.

Mr. Barnett J. Danson (York North): Mr. Speaker, I am delighted to have the occasion to speak on Bill C-36 which was presented by the hon. member for Fraser Valley West (Mr. Rose) in his usual colourful way. I am delighted to see his red shirt. I do not know if it is an indication of his politics or the 100th anniversary of the RCMP.

His case was plausible and interesting, one that is worthy of a great deal of consideration by members of this House. All members of parliament are accustomed to receiving complaints from constituents who are members of the public service and feel they have been unjustly treated. I do not know if I share all the hon. member's frustrations, but I have the frustration of dealing with cases where you are never certain you are getting the right answer, and I can understand the frustration of the employee.

I do not think this bill was intended to be a specific vehicle to increase the number of women in the public service. This government is committed to that and I am sure all future governments will be. I do not feel this is the major thrust of this bill. I was interested in the remarks of the hon. member for Kingston and the Islands (Miss MacDonald), who referred to a report on sex in the public service. I am most anxious to read it. I do not know whether it has been banned, but I will try to get a copy of it.

I was concerned about some of the remarks of the hon. member for Témiscamingue (Mr. Caouette). He stated you need political pull in order to get a job in the public service. That is quite foreign to the experience I have had. As a member of the government side, I find that any intrusion by a member, regardless of what political party he belongs to, certainly a member of the party in power, just about guarantees the person will not get the job.

I suspect that if I approached the Public Service Commission and suggested a person should not get a job, he would probably get it. I have a batting average of 1000 per cent on assisting people to get jobs in the public service. A recommendation from a member of parliament, no matter what party, has no bearing whatsoever. In fact, it is detrimental to the person's chances.

I am not suggesting this is all bad. Perhaps that is the reason we have a Public Service Commission. In days gone by it was necessary for people to have political connections to get a job. That method of patronage is the one to which the hon. member for Témiscamingue referred. Although I have only been here five years, I have found it to be absolutely non-existent.

I agree that part of the solution to the difficulties which the hon. member for Fraser Valley West is trying to resolve in his bill is to give greater facilities to members of parliament, both in the constituency and in Ottawa, to pursue some of those problems. We could do this more vigorously if we did not have so many demands on our time. We cannot get to the root of our problem without greater assistance. I am not even sure that this would solve the problem.

I would like to see us get to the root of our difficulties, but I wonder if this is the way to do it, certainly as far as agencies and Crown corporations are concerned. We have Crown corporations for many reasons. One of the reasons is that they are at arm's length from the political process. I wonder if it would be appropriate to have such an agency or review board in areas of employer-employee relationships for Crown corporations. The CNR has adequate union procedures, as does Air Canada. I do not think Crown corporations, such as Polymer Corporation or Atomic Energy of Canada, should be subject to this sort of

external review. The answer is to get at the root of the problem.

We have been dealing with problems that are difficult and complex. There are no easy answers to them. In the case of inflation and the high cost of living, the simplistic answer is we cannot find the real solution. Many people feel we should have price controls. When we come to capital punishment, we have problems in our society. Some people feel that if we cannot solve a problem, we should remove it and be rid of it. This does not have the same relationship, but I am suggesting the root of the problem here is employer-employee relationships. There should be more specific management techniques and implementation of the recommendations in the Bryden report. These are the basic problems that must be solved.

I would be concerned about the attraction of a board like this to handle complaints. There are many complaints about people feeling they are improperly treated with regard to merit pay. The line-up of complaints before such a board could be horrendous.

The problem explained by the hon. member for Fraser Valley West is evident. I do not know if we have time to vote on the bill tonight, but I think it was his intention to bring this up for discussion. He has brought forward an interesting problem on which we can cogitate. If the Bryden report is brought forth for study in the fall, it will attract more of our attention.

Mr. Rose: Will the hon. member permit a question?

Mr. Danson: If it is a question.

Mr. Rose: Mr. Speaker, the hon. member made reference to my beautiful ideological shirt. Can he inform me whether his ideological hair, which is the same colour, also represents his views on matters?

Mr. Danson: Mr. Speaker, you cannot judge a rose by its colour. I am not trying to judge the hon. member for Fraser Valley West by the colour of his shirt.

The Acting Speaker (Mr. Boulanger): It being six o'clock, the House stands recessed until eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

REINSTATEMENT OF LAW RELATING TO CAPITAL PUNISHMENT THAT EXISTED PRIOR TO DECEMBER 30, 1972

The House resumed consideration of Bill C-2, to amend the Criminal Code, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs, and Motion No. 2 (Mrs. Morin).

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, at five o'clock I had just disposed of some of the arguments put forward by abolitionists against capital punishment and, therefore, against the amendment we are now considering. As one who supports the amendment, I wish to reflect for a moment on the attitude on society toward this proposal, as I see it.

Many members send questionnaires to their constituencies. They receive thousands of replies. I have yet to hear of one member receiving replies the majority of which were opposed to capital punishment. I have not sent out a questionnaire, but I can tell from the hundreds of letters I have received from my constituents that the overwhelming majority of people there favour the retention of capital punishment, and presumably therefore, they would favour the amendment we are considering.

These people know there are problems within the penal system and they recognize that a swift solution is not possible. But they want us to take a step in that direction, and the first thing they want is a return to capital punishment, for whatever value it has. I have already dealt with this aspect. I am certain they would support the amendment because it is a step in the direction of returning to society some of the conditions we enjoyed when we felt easy about walking around in our neighbourhoods and in our own ridings without worrying about what would happen to us.

Society as a whole has a responsibility not only to rehabilitate criminals and murderers but toward the innocent masses of society who are being inconvenienced, frightened—there are any number of words we could use to describe the conditions which exist. There is a quotation which I thought worth mentioning, taken from an article written on this topic.

Perhaps convicted murderers are not fit to live in our society and rather than imprison them with its care and menace—

They are interesting words—"care" and "menace".

—better to kill them and be done with it.

If a man is not fit to live in society I think society owes it to the people to rid society of that man. I do not intend to get into the life imprisonment angle, but it has been said that this could be a worse punishment than being executed.

There is another aspect which is overlooked when we talk about the innocent masses. It is the type of protection they need. This sentence illustrates it well:

Some people may take the law into their own hands if they think the state will not. If a man knows his wife's murderer will serve only seven years in prison for the crime he may be inclined, and understandably so, to execute the man himself and serve the seven years in place of his wife's killer.

I have said this before. The innocent who suffer as a result of a murder deserve the protection of society and of the law. There is always a danger that these innocents will take the law into their own hands in other ways and form vigilante or other undesirable groups. The people in my riding want safety in the streets for themselves and for their families. They are very much aware that some of the laws are too lax and that enforcement is too lax. They

think of places like New York city, which perhaps at one time was a pleasant place to visit and walk around at night but where now not only do you not dare go out at night but you find hardly any people living there, it is such a dreadful place. The people in my riding want to know there are certain rules which will be enforced. They think society needs to be saved from itself. They think we can save society by restoring, among other things, capital punishment, which would implement the amendment we are talking about in respect of murder resulting from rape.

● (2010)

The people cannot understand why parliamentarians, at least the abolitionists, apparently reject the view of the law enforcement agencies all over the country, if not all over the world, that there should be a return to capital punishment for this sort of offence. A return to law and order is wanted by all these people and they have made their views known to me. I do not have any difficulty agreeing with the view of the majority of my constitutents. I think this is still a democracy. The people think this too. They know the majority of Canadians are in favour of capital punishment and in favour of this kind of amendment. I am in full support of it myself. I think we owe it to the majority of Canadians to pass this amendment.

[*Translation*]

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, we are now at the report stage of Bill C-2, an act concerning capital punishment. In order to make this act still more effective, the hon. member for Louis-Hébert (Mrs. Morin) has moved an amendment incorporating into the bill the case of murders which might be considered as punishable by death.

For the past five years, the government—as far as I know, it is the same old gang—has wanted the abolition of capital punishment for all murders except that of a police officer or prison guard.

For the past five years, we have constantly been hearing about murders of women as well as men, young as well as elderly people, policemen and prison guards as well as ordinary individuals. With such a sampling, we are therefore able to analyze the situation, to probe files, to turn everything upside down in order to find out whether, under the act, punishment has been dealt out or better still, whether the law has simply been applied.

I surely need not discourse any longer to convince the House that in spite of the law passed by Parliament, in no case did we respect our commitments towards society. Policemen have been killed. Did we, as the law stipulates, punish the murderers with death? No. So why should we waste our time enacting laws if we are the first to ignore them? And then, we expect the people to enforce the laws we pass.

Mr. Speaker, the past is the guarantee of the future, and despite what some government members may say, even if we should pass some law or other, we know in advance they will not enforce it. The government is using Bill C-2 to play politics, to play blackmail politics, to try to convince the people that we, federal members, work hard at serious problems.

[Mr. Clarke (Vancouver Quadra).]

What difference is there, Mr. Speaker, between discussing and studying this bill on July 24th and discussing it on November 24th? We know ahead of time that it will never be enforced. But to play politics, the government wants to compel the opposition parties to pass bills at full speed before the summer recess.

That is simply the petty method used by the government not to legislate according to the will of the people, but to threaten opposition parties and try, as I said, to railroad bills as loony, frivolous and thoughtless as the one now before the House.

Yet, throughout Canada, surveys have shown clearly—surveys conducted both by members of Parliament and agencies without political allegiance—that most people are calling for the restoration of capital punishment, and that, because society wants to be protected.

In spite of this consensus, the government, the Liberal party wants at all costs and without delay to force Parliament to pass a legislation which goes against the wishes of the majority.

In my riding, 82 per cent of the people are in favour of retaining capital punishment for premeditated murders and not only for people who murder police officers and prison guards or, according to the amendment under review, for people who kill a woman after raping her.

● (2020)

We favour this amendment because, first, it demonstrates the stupidity of the government, second, it widens the concept of the protection of society. I say "the stupidity of the government" because if a man kills a woman after raping her, they want to punish him by death, but the case of a woman who would kill a man in the same situation is not provided for in the amendment. She will probably be commended for such an achievement. If a homosexual attacks a man and kills him while raping him, fine, because the Prime Minister (Mr. Trudeau) has had a law passed that legalized homosexuality. Therefore, no capital punishment for this privileged race, unless obviously it is discovered afterwards, and here I am interpreting the legislation, that the victim of the murder was a police officer or a prison guard. Then according to the law the murderer is punishable by death even though in effect this is not enforced. The Prime Minister (Mr. Trudeau) does not, for one, comply with the legislation that he and his colleagues pass in the House.

Mr. Speaker, here is another example. If a woman rapes a young boy who dies from it, no capital punishment because the murderer was a woman. These are the terms of the amendment. If a man rapes a girl—I do not know if the word "woman" implies any segregation between unmarried and married girls—he is sentenced to death. We could give many such examples, but I will only mention that murder is punishable by capital punishment whether carried out during or after the rape. Culpability also depends on the victim's sex and occupation.

A skilled gangster should choose his victim carefully and however ridiculous it may seem, he should kill the Prime Minister's wife rather than a woman who is member of the police force. He should make sure to rape her only after her death, because if he did so before it could cost him his life. After all, if he kills her before

raping her, I doubt that there has been a rape, since the victim was unable to spurn or yield to the advances of the criminal.

So many fine distinctions, so many ways to amuse the lawyers. And I point out in this House that those same lawyers are divided, some being for the death penalty, others against it. However, they have all studied the same laws, but they realize how important it is to complicate them, because their daily bread is involved. Indeed, they can be pleased, because they are assured of obtaining more interesting cases than those they now have.

Mr. Speaker, the people refuse to become the plaything of gloomy politicians such as those who hold power. People want laws to be respected and law-abiding individuals to be protected.

Not only do the government and its departments not respect the laws established by Parliament, but what is even worse, they encourage those who unhappily do not abide by the laws.

Mr. Speaker: Order. The hon. member for Charlevoix will excuse my interrupting only for a moment, because his speech is interesting. I know that his colleagues want to hear him, but I remind him that under the Standing Orders, only 20 minutes are available to him and the Chair hopes that he will come to the point and consider the amendment presently before the House in the period of time allotted to him. I generally remind all hon. members that they must limit their remarks to the amendment under study. We are not at the third reading stage, that will come later on, but at the report stage providing for particular motions, including that of the hon. member for Louis-Hébert (Mrs. Morin). I think that hon. members should not at this stage make speeches which they could deliver at the stage of the third reading or which they have already made on second reading; they should rather stick to the amendment before us. This motion is in very specific terms and hon. members participating in this debate at this stage should observe the rule of relevance.

Mr. Caouette (Charlevoix): Mr. Speaker, it is precisely the motion I was talking about when I indicated the segregations the amendment seems to introduce in the bill. It would be against the wishes of the people who would like to see an amendment which would reestablish capital punishment not out of segregation but in a general way for all murders premeditated or not.

Then, in this perspective, we have to consider that the system as a whole which supposes compliance with the laws, as we see now, does not seem to afford individuals the protection they have a right to expect and this to the extent that we see—and we saw it this year—murderers or outlaws, prisoners get the permission to entertain themselves, to go and see hockey games at the Montreal Forum. On the other hand, we never heard that unhappy, miserable people, those who live on welfare, could get tickets from the government to entertain themselves and see hockey games too.

I was saying that somehow the government favours those people who do not comply with the laws. The poor people are never that lucky; on the contrary, they are penalized. But murderers must be rewarded; after all, a good hockey game or a walk through the Salon de la Femme is probably a reward for getting rid of a future welfare recipient.

To show you the extent of our leaders' madness, Mr. Speaker, I would go so far as to say that I know a good many cases of unhappy, but law abiding people, depending on social welfare, who are not entitled to any recreational activities. If, by any chance, they own a car, their allowance is withdrawn and they are told to sell their car, often an old jalopy, worth about $50, if they want their cheque. On the other hand, the same people on social welfare are not entitled to get out of their misery or to be entertained; but a bandit, in short a smart bandit who infringes the law, is rewarded. Not only he is entitled to an automobile to go to his recreational activities, but he is provided with a private chauffer, paid by the state, to be entertained while serving his sentence.

This is the society that our practical jokers, our leaders, are building for us; on the one hand, by legalizing murder of an innocent, of a child, and on the other hand, by rewarding the murderer of an individual. It is with this kind of position that the government wants to obtain a "just society".

Let me say, Mr. Speaker, that not only is the present act unfair but it is discriminatory in respect of those who do abide by the law. This government seems to want to say, go ahead, ladies and gentlemen, kill, you will be rewarded for having contributed to solving the alleged problem of overpopulation. But before you kill, make sure that the man is neither a policeman nor a prison guard, or if you prefer to kill a woman make sure that it is not in the course of making love and also that she is neither a policewoman nor a prison guard because that would cost you your head. And, finally, go ahead, kill anybody, anywhere, anytime, because the law will not really be applied as has been seen in the past.

The Prime Minister undoubtedly prefers to listen to the demands of those sentenced to death for murder than listen to society which suffers from insecurity. We have seen enough people thus sentenced to death, blessed people who will have three meals a day for the rest of their lives, watch colour television, occasionally attend sporting events at the expense of the state and finally be released with the blessing of the right hon. government of Canada.

● (2030)

In conclusion, I simply want to ask those responsible both for the bill and the amendment to stop looking at themselves as angels and be human with everything that that entails, that is respecting those individuals who respect their fellow individuals. Then we will see legislation to protect society and not wrongdoers. We will see the restoration of capital punishment for all capital murders without any restriction of segregation and we will thus contribute to protecting society. After all, Mr. Speaker, that is our role and the approach people expect from us.

[*English*]

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I rise on this occasion to speak in support of the amendment moved by the hon. member for Louis-Hébert (Mrs. Morin). Basically, her amendment makes sense to me. It suggests that persons who deliberately commit an act which results in the

death of another person shall be punished by death. That makes sense to me and to many people across Canada. While I do not wish to belabour the matter of the sentence of death and whether or not society has the right to punish the guilty in this way, this is the supreme test of those who are chosen to govern society, namely, whether or not they can take it upon themselves to adjudicate or to rule in authority in the case of acts of violence or acts against society.

● (2030)

The hon. member's amendment suggests that anyone caught and charged with this offence may be subject to the supreme penalty. In saying this I am not necessarily saying that I am absolutely in favour of that supreme penalty. I think as legislators we could devise a better system than hanging for the taking of the lives of violators. But that is not the point now before the House of Commons. The question before the House is the hon. member's amendment, and we must address ourselves to it.

Under the present law one who commits premeditated murder is charged with what is commonly called capital murder. One who causes a death as a result of anger, jealousy, or other emotional outburst, just on the spur of the moment, is charged with non-capital murder. In the hon. member's amendment we have a further clarification or differentiation between capital murder and non-capital murder.

The hon. member's amendment suggests that anyone convicted of rape and murder be subjected to capital punishment. Under such circumstances, I could agree with the hon. member. But I have seen the opposite argued, that rape cannot be committed without consent. I do not necessarily believe that. Rape is a supreme example of wanton pilferage. We have seen many examples of it in the country of our neighbours to the south.

What is society doing to protect itself? In suburbia we see housewives arming themselves with pistols, or some other means of defence against what could be called wanton pilferage. If as legislators we allow the law enforcement agencies in our society to become engaged solely in reprimanding the persons caught, this is not at all sufficient. We have to go one step further. We must caution people in society that they cannot do certain actions.

I do not know how many hon. members have been reading the newspapers in recent days, but from reports in them I have no hesitation in suggesting that the occurrence of rape in Toronto, Montreal and in the west has been on the increase. One must ask why. Is it because of a lack of appreciation of the judicial system? I think more severe penalties should be imposed on people who deliberately take advantage of others unable to defend themselves.

Some two or three weeks ago the attention of the House of Commons was directed to the bludgeoning to death of an 82 year old lady in the city of Edmonton, Alberta. She lived in an apartment house and had refused to hand over her money. That is not an uncommon thing. The people who broke into her apartment did not know her age. They thought the most they faced was a couple of months in jail for committing burglary.

[Mr. Horner (Crowfoot).]

The same thing happened to an elderly lady of 78 or 79 years in the city of Calgary. I do not think Alberta is different from the rest of Canada in this respect. I may be accused of being hypersensitive to incidents in the province of Alberta, but from my reading of the press I believe such incidents are increasing all across Canada—in Montreal, in Quebec, in Toronto, in Vancouver, and even in the Maritimes. From studying newspapers and RCMP reports one could discover the exact statistics. One must ask why these break-ins took place. Were these elderly ladies bludgeoned to death merely that others could steal the money they had received as pensions? No, I really do not think so. They were break-ins committed by those desirous of some other extreme pleasures, which some people take upon themselves and which I do not think society appreciates happen. I think this House of Commons should recognize the fact that 70 per cent of the people of Canada seriously doubt that a murderer today really takes into consideration the ultimate penalty for his crime. Why do those people committing the ultimate crime not take into consideration the desire of most of the people of Canada? It is because of loss of confidence in the judicial system in our country.

● (2040)

This is a sad thing in this day and age, a time when we in Canada throw out our chests and boast of our educational system, and how knowledgeable we are in understanding one another and of the comprehensive desires of the individual. It is a sad thing in an educated society today that most of the people that commit the ultimate crime have no confidence whatsoever in the judicial system. They say "I know a deliberate murder will not result in my receiving the death penalty; I will serve X number of years and then I will go scot free, so why should I worry?"

It is a strange situation when we reach that degree of misunderstanding within the educated society in which we are living. One would think the direct opposite, Mr. Speaker, was true. One would think that in an educated society those people committing the crime would really believe they would pay the penalty, but the direct converse is true.

I think this is a question which the governing power should answer, the governing power being that body which is putting forward this bill which will continue the so-called experiment. The governing body is putting forward this experiment. There is no question about this issue in the minds of the Canadian people; Gallup poll results suggest that 70 per cent or 80 per cent, whichever figure you want to relate to, are in favour of obtaining the death penalty. Among the urban people it is 80 per cent and among the rural people it is 85 per cent, and I suppose, being a Conservative, I have to say it is 70 per cent, because playing it safe is part of my nature. But certainly between 70 per cent and 85 per cent of the people of Canada believe that we must retain in our society an effective system of capital punishment.

How effective should capital punishment be? The bill before the House of Commons suggests it should be effective in the case of one committing a murder of a police officer or a prison guard. As a representative of a fair percentage of Canadian voters, I suggest that perhaps that

does not go far enough. I do not necessarily believe that all murderers should have their sentences commuted; neither do I necessarily believe that all murderers should be hanged. But I do believe there should be degrees, that there should be qualifying factors.

Now, with murder with intent I am in no trouble. In cases of murder with a degree of deliberation to involve the death of a certain person there is no question in my mind that the person who commits that murder, or who orders the death of that person, should be committed to death himself. I have no question in my mind about that, no qualms, no loss of sleep. I know many solicitors general, Mr. Speaker, who have found that question a problem.

How much further do we go? Well, we provide in the present Criminal Code that in the case of any murder which can be declared by our courts to be a deliberate murder with intent, the murderer shall be sentenced to death. Then in this particular bill we provide that the murderer of a prison guard or policeman will be sentenced to death. I do not get over concerned by the murder of a policeman. I do not believe that a policeman should deserve all that more protection. He has a gun at his hip and because he has a gun at his hip he sometimes provokes the use of that firearm. He is trained very, very well to use it. Therefore, I think that he is a special case, but is he a special case beyond the rest of society? That is the question that the hon. member's amendment proposes to this House of Commons. Is the prison guard who has a duty to perform and also has a gun available, whether it be at his hip or in prison or wherever, also a special case? Those are a couple of particular situations which the present bill suggests we should provide for. But the hon. member's amendment goes one step further. It goes to the question of a female in trouble, a female subject to rape. There is no gun at her hip. She has no gun available. She is a defenceless person and nobody comes to her defence.

I urge this House of Commons—and I see the Solicitor General (Mr. Allmand) in his seat—if it sees any desire to create a halfway mark between complete abolition and complete retention, to accept this thoughtful amendment proposed by the hon. member for Louis-Hébert (Mrs. Morin) because I think it makes sense. I would say, Mr. Speaker, that it appears obvious to me that the government, in pursuing this lengthy debate at this late stage of the summer recess, has no desire to entertain any amendments. They want to proceed because they believe in commutation to the end.

● (2050)

Mr. Ellwood Madill (Peel-Dufferin-Simcoe): Mr. Speaker, the amendment brought to the House at this time by the hon. member for Louis-Hébert (Mrs. Morin) affords us the opportunity of ensuring the Canadian people a certain amount of security and safety within the framework of Bill C-2. There are few crimes as serious or as horrendous as the two dealt with by this amendment. I wholeheartedly support both the principle and the facts behind this amendment.

We should look at this proposal as a safety measure in a bill which will experiment with partial abolition of capital punishment for a further period of five years. In this case we are acknowledging that the previous five-year trial period was not successful in the eyes of the majority of Canadians. Therefore, another trial ban must distinguish in better fashion between those crimes which are capital crimes and those crimes which are not. We may find that partial ban legislation, which defines murder-rapes and kidnap-murders as capital crimes, will assure Canadians of the security and safety to which they have a right. We may find after five years that we still have not gone far enough. But to refrain from including this amendment in the bill would be a forfeiture by this Parliament of its primary duty, that of serving Canadians.

Rape and kidnapping are two terrible crimes which, according to statistics and news reports, are increasing at an alarming rate. The figures have been quoted previously by other speakers and I do not need to repeat them. They are particularly terrible because they damage the moral and mental fibre of the victims and persons close to the victims. The terror and anguish which is experienced as a result of these crimes is something which no person should have to endure. On these grounds alone, rape and kidnapping should be recognized as capital crimes.

The amendment does not go as far as that. It requires that a murder be committed as well as a rape or a kidnapping. While I would be in favour of stiffer legislation, I am prepared to accept this amendment as it stands because it will in all likelihood act as a deterrent to potential criminals. All too often the threat of murder is an important factor in these crimes. And all too often death is the result of these crimes. If a criminal knows that murder, in conjunction with either rape or kidnapping, is punishable by death, he may have second thoughts about committing the crimes at all.

I do not accept those arguments which claim that capital punishment is not an effective deterrent to murder. Proponents of this theory overlook the impact that the threat of execution has on all criminals who carry a weapon, whether they be professional killers or milk store bandits. Many prisoners spoke freely of using unloaded weapons prior to the temporary ban on capital punishment, but they spoke just as freely of loading those guns after the ban went into effect. These feelings are common to most criminals.

The amendment suggests that members of parliament are aware of the need for deterrents with respect to certain crimes. Murder as a result of kidnapping or rape is certainly a crime for which deterrents are needed.

It is difficult to enter into a discussion of this amendment without straying into a more general discussion of abolition or retention of capital punishment. At the risk of straying, I would like to say that I do hope this amendment signifies a trend toward developing a safer society for Canadians. Is murder as a result of rape or kidnapping any more final than murder as a result of other premeditated crimes? How can we construct a partition between, for example, the acts of a kidnapper and the acts of a thief who murders a storekeeper? Both crimes contain elements of planning and strategy. Both involve the possibility of death. The need for a crackdown in law enforcement is recognized by most Canadians. Our entire society is jeopardized by weak laws, especially as they apply to the maintenance of society.

To return to this particular amendment, I will support it in the hope that it will act as a deterrent to potential rapists and kidnappers and in the hope that society will be protected. I hope, too, that legislators and administrators will see the need to return to a more practical approach in the enforcement of law and the development of a safe society.

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, I rise to continue this discussion in the face of the very poor logic that has been exhibited here yesterday, this afternoon and this evening. The basic issue is simply one of law and order, and how we control that within our society. Do you just get rid of people because they disobey the law? Is this what we are coming down to at this stage of the game? Is this how we have advanced in the twentieth century? Is this where we say we are going?

Hon. members have talked about having respect for our fellows. How can we expect the young to have respect for the law when we have no respect for life? I find it difficult to anticipate what some of the people who have participated in this debate would have done in the olden days when they hanged people for stealing a sheep, so cheap was life. They talk about dollars and cents and say, "But look at the money we are going to waste if we keep these people in prison". Have we reduced the value of human life to dollars and cents? I hope not, Sir.

It really bothers me that the Solicitor General (Mr. Allmand) tried to bring in by the back door what certain members of the House were willing to bring in through the front door. He could have proposed some good amendments to this House, not the ones we are debating tonight. I think he cost his country a great deal by what he did. He lost us five years. That is nothing but a cop-out. Surely, after what we went through in 1968 and after everything that we have been going through on the present occasion we should have enough guts to make up our minds where we are going and what we are doing, and not put off this decision for another five years. But he denied us that opportunity.

Surely it must be apparent that you either impose capital punishment for all crimes or you do not impose it, and introducing exceptions such as the amendment speaks of is foolish. You do not choose and say what is against the law and what offence is within the law, because no offence is within the law. And do you sacrifice a human being because he has disobeyed the law? I think not.

The amendment goes further than the bill itself. I really laugh at the exceptions within the bill as it presently stands. Without being facetious, may I say this to the House that if I, with my poor eyes, take a shot at the Prime Minister (Mr. Trudeau) and miss, and hit the Mountie near him, I will hang, but if I am lucky and hit him, I will not. How laughable! How stupid! You either hang or you do not hang, and I say you do not.

I urge on all members as pointedly as I possibly can that the sacrifice of a human life for the sake of sacrifice accomplishes nothing. Milton had something to say on this; he said that our law is all too curious to discover sin but not to prove the solution of it. This is what we must be after. This is what our law must be directed toward.

• (2100)

I do not know how many members of this House have ever defended people on a charge of murder. I have and it is not an easy task. You suffer. You stay awake nights. One life hangs in the balance.

I agree with what my colleague who sits in front of me said this afternoon. If we are going to adopt this amendment, go all the way. If death results, hang the culprit. If that is what we think of life, then I say we have come nowhere in the past 100 years of our culture.

Some hon. Members: Hear, hear!

Mr. Morgan: The only point I attempt to make is this. If we want the people of this country to respect our laws and respect what we as legislators are doing for this country, we must impress upon them what Albert Schweitzer said in his book, that you must have a reverence for life.

I say quite simply there is no statistical evidence available that capital punishment is a deterrent. By the same token, some say there is no evidence available that capital punishment is not a deterrent. I will buy that. You can go on both sides of the fence, but once you hit that square, then hit square two. Do you hang people because there is no evidence in support of it? Of course not.

If I could be shown by statistical evidence or in some other way that the execution of a person, whether by hanging or some other method—and I do not think there is an easy way of doing away with life—is a deterrent, I would take a second look, but you cannot argue that. There is no evidence one way or another.

We should value what we are as human beings. We have a frontal cortex, some place to think. We are not just animals. You do not get rid of us like animals. We must have a respect and reverence for life.

A member this afternoon said that if there is rape and an abortion results, you are doing away with life. What is the inconsistency there? It is illogical to want to hang a rapist. Do not say he deserves it. I bet that member has never defended a rapist in his life. He has no idea what he goes through, no idea of his mental process and the trouble he goes through in life. He could be a married man with a wife at home.

Mr. Nowlan: What about the victims? Do not they go through a process of agony?

Mr. Morgan: Of course they do; but when a person is sick, are you going to hang him?

Mr. Nowlan: I am speaking after you.

Mr. Morgan: Without being personal, if some of these people had followed me around for a couple of years, they would have seen the agony these people actually go through. They are not well. They do not have a *men rea*. They do not say they are going to rape a little girl. They do not know what they are doing. Their mind is not with it. They need help. Do you hang a person who needs help? Do you hang a person with scarlet fever or a broken leg? Of course not.

I admit there are many faults in our penal system. The Solicitor General (Mr. Allmand) knows that. There is

room for reform. Perhaps we should have life imprisonment for some of these people. If the Solicitor General could have brought in his amendments, we could be a little more realistic about what we are trying to do in dealing with these people. Perhaps life imprisonment should mean no parole or remission until these people are cured of their ills. Unfortunately, that spoiled it for those of us who want to bring in amendments, and I sincerely regret the amendments were ruled out of order. This is a bill to abolish capital punishment, with two exceptions. I wish the exceptions were not there.

I will not prolong my remarks. This House has a very clear choice in front of it. I do not care what amendments are introduced; I do not like the two exceptions in the bill. If I have to live with them, I can, but I certainly do not want them expanded.

For many years I have talked with police officials and detectives. They do not want these exceptions. They think they are foolish because they feel their lives are no more important than anyone else's. They agree that life imprisonment should mean a little more than seven or 10 years. As police officers and detectives who are fighting crime, they know the value of life. They want to protect life. They do this every day. They do this for the rest of us.

I will close by saying that this House has a clear choice. The amendments add nothing except more exceptions to the rule. You go one way or the other. I ask members of this House to make up their minds which way they are going to go, amendment or no amendment. You either have a respect and a reverence for life or you do not.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I am pleased to take part in this debate on the amendment of the hon. member for Louis-Hébert (Mrs. Morin). It extends the discrimination which the hon. member for St. Catharines (Mr. Morgan) so ably pointed out. In addition to the exception for policemen and prison guards, this amendment also makes an exception for murders or killings that take place while rape is being committed and during or after a kidnapping.

I respect my colleague, the hon. member for St. Catharines, who has proven himself to be a very eloquent man in the short time he has been a member in this House. I agree with him that the issue dealt with in Bill C-2 should be crystal clear: Will we have capital punishment or will we not? Unfortunately, we are confined to the restrictions of this amendment, and this is what I intend to speak about in the few minutes available to me.

While I respect the legal sagacity and experience of the hon. member for St. Catharines before the criminal courts of this land, I do not back off from him because of that. While I have not defended a murderer, I have certainly defended many people who were alleged to have committed rape.

● (2110)

I certainly admire and respect the fortitude it must have taken for the hon. lady to move this amendment. If the government had any doubt about the strong feeling on the basic issue in the bill before us, it can have no doubt left after the strong debate the first amendment has evoked. Look at the deep-felt and sincere emotion of my hon. friend from St. Catharines (Mr. Morgan), who asked the House some rhetorical questions which may be hard to answer. When my friend asks, Mr. Speaker, how one can have respect for the law when there is no respect for life, I turn to him and ask in return: How do you have respect for the law when there is no penalty befitting the crime? I say to my friend: How is it that you have respect for the law when there is no sanction in the sentence?

And my friend questions again: How can you believe in capital punishment when you have, or should have, a reverence for life? I am sure my friend did not intend to infer that any member of this House, regardless of the strength of his feelings on the issue of capital punishment, has any diluted reverence for life. I want to assure him that I have as deep a reverence for life as any member of this House, and because I feel this great sense of reverence for life I respect people and believe that the ultimate crime should be met by capital punishment after all the due processes of law have been followed. The case of Tanya Bush is the incident which finally swung my opinion from abolition to retention.

Three times, Mr. Speaker, in the seven year period in which I have been a member the House has been confronted with the fundamental issue here, life, or the philosophy of life, the poetry of idealism or the actuality of reality. None of us want to pull the door that makes someone lose his life, but I say that the House of Commons, regardless of public opinion, cannot get lost in philosophic homilies and beautiful platitudes which we would love to believe. The state takes life every time there is a war. War is a crime against society. I say murder is a crime. I say murder is a war against an individual, and because it is a war against an individual after due process of law the potential ultimate sanction should be there in our rule books.

We all know that armed with the power to exercise executive clemency, or the Royal prerogative of mercy, this government, if it stays in power, is not going to follow the law. They have not followed the law since it has been in the books. Because of reverence for life, because of respect for people, the House of Commons must discharge its responsibility too, in the most reprehensible of situations.

My friend, a learned criminal lawyer, fully knows the facts on Tanya Bush. And they fit directly into the amendment of the hon. member for Louis-Hébert (Mrs. Morin). Three child killings and then while the culprit is out on weekend leave from a penitentiary, because he has a grudge against Tanya Bush's father, he kills Tanya Bush who is eight or nine years old. Four child killings, three girls and one boy.

I have four children, Mr. Speaker, and I am not going to get overly emotional about this, but it is because I have a reverence for life and a respect for life, and because I do not want a Tanya Bush situation to repeat itself, that I have no hesitation about voting for this amendment, which at least extends the principle of capital punishment up to a point.

To follow my friend's argument to a conclusion, he says there is no logic to this debate; and he is right, Mr. Speaker. The issue of capital punishment is one which evokes the primary instincts of everybody, and that is

why I do not think there is an issue since I have been a member of parliament which has sustained the interest of so many people from my constituency and from coast to coast. I agree with many of my friends and certain of the abolitionists up to a point; statistics do not mean anything in this debate. That is why you can walk into a barber shop, into a cocktail party, into a constituency meeting or into a church, and once the business is over the question comes up: What are you going to do about capital punishment? You do not need facts to cloud the issue. It is instinctive, as I say. It goes to the fundamentals of life, and that, basically, is simple.

If you follow what my friend says, that because the crime is so reprehensible in the case of rape that the fellow must be so sick that he ought not to be punished too severely. Where do we find ourselves? Pierre Laporte lost his life two and a half to three years ago. One man has been sentenced, I think, for his murder. No one has been faced with the ultimate penalty. No one has been hanged because of that heinous incident, that blot on our history.

If we were talking about the situation 50 years ago or even 25 years ago, I would most likely have joined those who were urging us to move forward. But the balance has shifted and as the hon. member from Halton-Wentworth (Mr. Kempling) said the other night, provoking an angry response from the Solicitor General (Mr. Allmand), there is too little concern for the victims of these heinous crimes. I have listened to speeches, as I say, for the last seven years telling us that capital punishment is not a deterrent. But, Mr. Speaker, those statistics are only developed on the basis of those who have committed crimes. I agree it is most likely you cannot prove the contrary, but who knows what goes through the mind of someone who has a grudge, or wants to exceed all reasonable conduct. If there was a capital penalty, he might just not carry out the offence he contemplates.

Look at our jails. We are talking about prison guards and prison treatment. There is a higher rate of killings in the jails, if my reading of the newspapers is correct, than there is on the streets. This always happened to a degree. There are always grudges in penal institutions and undoubtedly some will go to extremes. But I think such crimes have been increasing, and they can increase with impunity. Because if a man has been sent to jail for life, what has he to lose under the present system? Do you want to put a man in a cage for the rest of his life? If he has committed an unfortunate crime, do you want to put him in a cage and leave him there for his natural life? I cannot get caught up on that argument. I think that with our penal system, our parole system and proper safeguards for those who commit the ultimate crime, there still should be a process of proper review. But I say the heinous crime, the repeated crime, the crime under contract, out to kill, the organized crime, comes into a different category.

It is difficult, Mr. Speaker, to stay calm in this debate. We have had a five-year trial period in theory, but it has not been followed in practice. I could go on and get a little political, but my time is running out and we are debating this issue for the third time in seven years.

Ironically, there are some members interested in family allowances, which is at the opposite pole of the capital punishment debate, I suppose. If you are going to deal with capital punishment on one side, why should you not be thinking about the children of the world, the family allowance situation and the social security situation?

• (2120)

We have heard about high taxes, election expenses, foreign takeovers, crop insurance, mortgage money to help people get homes, and we have heard about the Olympics in Montreal in 1976. We have all these matters to deal with yet we keep this House going all summer on this matter of capital punishment. I hope the research people will dig up the number of days this and the previous Parliament spent on this issue. I do not think half the people of Canada know we are in session and I do not believe the other half care. However, the priorities of this government are twisted. I shall not belabour that point.

I think the government and some of the leaders of all parties have fatally underestimated the deeply held feelings on this issue. Why should we be in session debating this eternal question at this time? Some people may think we should be having a summer recess because we are not dealing with some issues of higher priority. What priority has capital punishment? We have not followed the law for the past five or six years. Is there any more guarantee that we will follow even the sham law, as it was described by my friend from St. Catharines, in the next five years?

This is supposed to be a priority item through the summer recess. It is not really. To show how unreal it is, people in the outside world are still going to cottages. Some people in the gallery here are still on vacation. Some of these people may have seen a cartoon which appeared on the editorial page of the *Daily Colonist* of Victoria the other day in which there appeared a drawing of the Solicitor General with a script over his shoulder which I thought was pretty good.

An hon. Member: It is in *Hansard.*

Mr. Nowlan: I will read it again. It states:

Warren Allmand is my name,
Abolition is my game.
The death penalty is unfair,
As for murder victims, they're gone—why care?
Through the Commons it will be rammed.

Public opinion? Public opinion be damned.

I say to my friends to the left, who sometimes have blinkers on their eyes, that if they think they are in tune with public opinion they should start to give some of their views on the floor of this House so that we will have that rhapsody of blue or that objectivity of thought that we always have when they enter a debate. I listened to a man this afternoon for whom I have the highest regard, the hon. member for Peace River (Mr. Baldwin). He added a most eloquent phrase which I wish to repeat. He said that on this journey of mankind as civilization moves along we will go down many miles, cross over many rivers and climb many mountains and on this journey we do not want to be stopping and erecting scaffolds on the way. I listened to his fervent and sincere views on this issue, and I thought this was very hard to resist.

In conclusion, I wish to say that on the same journey, walking those same miles, crossing those same rivers and

climbing those same mountains, if we do not stop and build the odd scaffold—which is a pretty picturesque and graphic way to describe it—then we will still be stopping and digging the odd grave for some of the victims who have been victimized, in effect, by a repeat performer.

The amendment of the hon. member for Louis-Hebert would extend even this sham bill, as it has been described, to cover this type of repeat act. It would also cover situations respecting the agonies of rape or the situation of the people who were on that Boeing 747 for three days without knowing whether or not they would be blown up. If they had been blown up, or if murder had occurred during a rape, surely the person who committed those crimes should not necessarily hang but at least be exposed to the ultimate sanction.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, for many years I have held the view that the ultimate psychological reason for which some people support capital punishment is a firmly established attitude of vengeance that remains once every argument in support of capital punishment is shot to the ground. Nothing could more vividly demonstrate that to me, or to anyone else who reads these debates, than the bundle of illogical argument we have just heard, following perhaps one of the most moving speeches on this subject by a man who obviously feels for mankind, the hon. member for St. Catharines (Mr. Morgan).

The hon. member from Annapolis Valley who spoke after him got up and used every illogical argument that has been used in this debate by a number of members on both sides of the House. I should like to challenge the hon. member who preceded me to consider my arguments as I take his points one by one, and see if he can refute them. I challenge him to point out the error of my reasoning in respect of any of his points. If he can do so I will be prepared to consider his argument. If he cannot, then I suggest the reason he supports capital punishment—and I hesitate to say this but I do so because I feel seriously about this matter and any human being is entitled to an emotional response on the question of violence—is pure vengeance.

I should like to trot out the hon. member's arguments and deal with them one by one. First of all, in reply to the moving address of the hon. member for St. Catharines he said, "What about respect for law?" He said—and this was his first argument—that if we do not have capital punishment there will be no respect for the law. He received a number of cheers from the ranks of his own party.

I should like to ask the hon. member what evidence he has from any authority in this or any other country in the world to show how an act of violence by the state of anyone else brings respect for the law? The modern teachings of psychologists, either behavioural or Freudian, completely shatter that view. It has been shown that violence does nothing but create more violence. I agree that in time of war military commanders use violence in their training of troops to provoke the attitude of violence. I say to the hon. member that if he wants to rid us of violence the best way to do it is not to perpetuate capital crime because this will bring only more response in the form of violence and indeed breed more violence in our society.

• (2130)

Do not take my opinion for it; look at the evidence and all the studies that have been carried out at home and abroad. If the hon. member can bring out any evidence pointing in the other direction instead of acting on his passion, I will consider his arguments.

Mr. Nowlan: Can you get evidence?

Mr. Broadbent: I just said I would be glad to give the hon. member a list of books the length of my arm which will provide the evidence.

The second point he made is that we all admit the legitimacy of using violence in wartime. He says that all members of the House would agree that in wartime the taking of another person's life is permitted. I say to him that there are some pacifists who would not go that far. But I also say to him—and I include myself in this—that most of us would say that violence is justifiable in wartime.

I ask the hon. member, just what does that mean? It means the following. The only time violence is justified in war is when one collective body of human beings, one state, is defending its very existence and its very life against another state or against another collection of human beings. In that sense only am I prepared to admit the right of people to take anyone else's life, and we apply that exactly in society in peacetime. We say that if a man, woman or child is being murdered, if an act of murder is being attempted on another human being, certainly that human being has the right to defend himself and certainly, if necessary, he is justified in killing the person who was trying to kill him. But I say to the hon. member that that example by no means supports his argument, because after an act of murder has been committed it is not the victim who defends himself then; unfortunately the victim is dead. The act of violence then committed is a cold, calculated and deliberate act of murder by the state. That is what is committed after an unfortunate victim has died.

I say therefore that the hon. member's analogy between justifying violence in wartime, when one society defends itself against another, and the right of a state after a murdered victim is lying dead to defend that victim who is no longer with us, is not valid.

Mr. Alkenbrack: They do not believe that in Oshawa-Whitby.

Mr. Broadbent: I will come to that point in a minute.

The third argument which the hon. member used—and it is perhaps the most insidious of the lot in terms of its logic—is that now we have reached the state in our society where we are more concerned with the murderer than with the victim. This is absurd. Does the hon. member think that anyone in the House is not concerned with a victim of a murder or with victims of society? I say that his own leader and many members of his party, indeed all members of the House of Commons, are concerned with potential victims of crime, and it is absolutely ridiculous to say that any of us who oppose capital crime are more concerned with the wellbeing of the murderer than with the unfortunate murdered victim.

It is our view that both are human beings and have the right to life. It is a very unfortunate and tragic circumstance when one man or woman has murdered another, but that tragic or unfortunate circumstance does not justify our murdering the man who has committed the act. If I may use a Christian analogy, when Christ was on the cross, when he was being murdered by others, did he turn to those who were murdering him and say that they must be murdered as well? Did he say that of his executioners? Of course he did not. The hon. member knows as well as I that Christ on the cross said just the opposite. So to be concerned with the murderer and to be concerned with the victim or the potential victim is not to say that one is more important than the other, as was clearly implied in the hon. member's fallacious argument.

Let me come to the fourth point which was called out by one hon. member in the Conservative party. He asked me what the people in Oshawa-Whitby believe. I say to him frankly that the vast majority of my constituents, I believe, favour capital punishment right now.

Some hon. Members: Hear, hear!

Mr. Broadbent: Look at the people opposite. I say to them that the vast majority of Germans in the 1930's favoured Adolf Hitler. Did that make Adolf Hitler right? They smile now. I say to the same hon. members that the majority in that case and in many countries around the world did indeed favour the wrong principles at times, and I do not hesitate to say that. I was elected, as were all members of the House, not simply to respond to the prejudices of our community. That is not my work here. We are elected to look at the evidence in every case, whether it is capital punishment, taxation, or any other matter. We are elected to look at the evidence, to consider the wellbeing of mankind, including our constituents, and to make an honest decision.

If after four or five years the people in my constituency, or indeed any constituency in the country, think we have done a bad job, they have the right and duty to throw us out of office. But if they consider perhaps that some of us in the House, and indeed I hope most of us, try to act in good conscience on the basis of evidence, I have enough faith in the democratic process to believe that there will be members in every political party, including the Social Credit party, who will take what I regard to be the correct stand; and the people in their constituencies, whether or not the majority at this time happens to agree, will respect the honesty and integrity of that decision. I think it is a bastardization, if I can use that term, of the theory of democracy as we know it and have practised it in the British Commonwealth and elsewhere for over 100 years to say that all a responsible politician does is do a Gallup poll in his riding and respond to that. That would not make a good member of parliament, and I do not hesitate to say that.

I have gone through the four arguments presented by the hon. member who preceded me and, as I said, I feel strongly about this because I believe that human life is very important and that neither the state nor any individual has the right to take it. I conclude by saying that if the hon. member accepts my comments regarding his arguments, the only thing he has left is the emotional feeling of vengeance. Then he has to say regarding capital punishment: I believe it is right to take the life of another human being just because I feel vindictive. Vindictiveness is no foundation for morality.

Mr. Nowlan: Mr. Speaker, I wonder if I could just, since the hon. member for Oshawa-Whitby (Mr. Broadbent) directed—

Mr. Deputy Speaker: It is generally not within the accepted practice that there be a rebuttal by an hon. member after another hon. member has dealt with a point. If the hon. member has a question to ask, this of course would be permitted.

Mr. Nowlan: Mr. Speaker, I am not going to let the hon. member for Oshawa-Whitby get away with such a serious phantom-like argument—

Some hon. Members: Order.

Mr. Nowlan: —by first challenging me and then not letting me have a chance to reply.

Mr. Deputy Speaker: Order. The hon. member knew when the hon. member for Oshawa-Whitby made, as he said, the challenge that there was no right of reply at this particular stage. There will be other opportunities perhaps during the debate when he will have the opportunity to reply.

• (2140)

Mr. Nowlan: On a point of privilege, I was interested in the interjection of the Solicitor General—

Some hon. Members: Order.

Mr. Deputy Speaker: The Chair does not know what statement was made. It did not come to the attention of the Chair, in any event.

Mr. Nowlan: I just wanted to point out, on a question of privilege, since the hon. member for Oshawa-Whitby was being so brave in laying down a challenge, that I, as he well knew, would be precluded by the rules from responding.

Mr. Deputy Speaker: Order. I ask the hon. member to take his seat. I know that this is the type of debate in which emotions can become very highly disturbed, but I suggest to the hon. member that he will have other occasions during the debate when he can make his reply to the hon. member for Oshawa-Whitby, if at that time it seems a reply is warranted.

Mr. Nowlan: On a question of privilege—

Mr. Deputy Speaker: There is no—

Mr. Nowlan: You have not heard my point of privilege.

Mr. Deputy Speaker: There is no question of privilege in this particular debate, and I recognize the hon. member for Brandon-Souris.

Mr. Nowlan: I stand on a point of privilege, and I do not care who you recognize.

Mr. Deputy Speaker: Order. I think on reflection the hon. member for Annapolis Valley will agree with me. Now that he has taken his seat I am grateful to the hon. member for co-operating with the Chair. This is a difficult debate, and I think that we would be better served if I could recognize a member other than the hon. member for Annapolis Valley, who will have his opportunity on another occasion on report stage, and certainly on another occasion on third reading, to answer the debating points that have been raised.

I underline that they are debating points. The hon. member could answer back, and then the hon. member for Oshawa-Whitby could answer again, and so the story would go. I suggest that the hon. member permit me to recognize the hon. member for Brandon-Souris.

Mr. Nowlan: Normally I would, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please.

Mr. Nowlan: On a point of order—

Mr. Deputy Speaker: Order, please.

Mr. Nowlan: I stood here on a point of order, and I have been interrupted from the time I stood and I have not had a chance to express my point of order. Then I had to go to a point of privilege, because, Mr. Speaker, you called me off and wanted the debate to continue. I can understand the position of the Chair.

Your Honour says that I will have a chance to reply, on August 15 or August 30, whenever this debate may conclude. I point out that I was rudely interrupted by the Solicitor General, and for co-operation in this debate he can forget about me. I was going to ask whether this House would give me a chance for 30 seconds to state, in one sentence, my response to the hon. member for Oshawa-Whitby. I am not going to transgress any further, but I just could not let the opportunity pass, since the speech of the hon. member for Oshawa-Whitby was entirely a so-called rebuttal of mine, knowing full well I could not get in a reply. I did not get that consent. The Solicitor General would not give that consent, and that is fine with me tonight.

Mr. Deputy Speaker: I thank the hon. member for his co-operation. That is a point of order indeed, and I will put the question to the House. Does the House give unanimous consent that the hon. member be allowed 30 seconds to answer the hon. member for Oshawa-Whitby?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Deputy Speaker: I do not hear unanimous consent. The hon. member for Brandon-Souris.

Hon. G. W. Dinsdale (Brandon-Souris): Mr. Speaker, I think it was the hon. member for Peace River (Mr. Baldwin) who, in the final moments of the debate last night on this subject, referred to the exercise in which we are engaged as mid-summer madness. I would like to reiterate that sentiment as I begin my remarks tonight, because it is obvious from the emotional atmosphere in which the discussion is being carried on that nothing is going to be resolved with respect to the fundamental subject of capital punishment.

It was anticipated that the government, in particular the government House leader and the Solicitor General (Mr. Allmand), as a result of the deliberations on the bill in the standing committee, would have stayed further discussion on the matter at this juncture in our sessional career. But in their wisdom, or I would suggest lack of wisdom, they are forcing members of the House to debate the subject.

There is no consensus on this question. We are operating on the basis of a free vote. If the government is going to press on regardless, then not only will we fail to reach a definitive decision on this matter but other topics that we should be debating will be completely neglected and ignored.

Mr. Sharp: Then why don't we have a vote?

Mr. Dinsdale: This demonstrates that the government is completely confused in its priorities—

Mr. Sharp: It shows that the hon. member is confused.

Mr. Dinsdale: —and completely irresponsible in selecting its priorities. If the Solicitor General were really sincere in trying to come to grips with the problems of law and order that are exercising the people of Canada—and this has been amply demonstrated by everybody who has taken part in the debate—he would be dealing with other matters. The people of Canada are concerned at the direction that the government is taking us through its permissive attitude to the whole subject of law and order.

If the Solicitor General, who made another emotional appeal last night, were concerned about this subject he would give priority to the question of penal reform, because we are not going to resolve the question of capital punishment until the good citizens of Canada once more have confidence in our penal system. In this regard I would like to re-echo the sentiments expressed in the *Globe and Mail* on July 19 in an editorial headed, "Anarchy in the Prisons." It reads in part:

> Capital punishment exists in Canada. It exists in our federal prison system at the discretion of Solicitor General Warren Allmand, Commissioner of Penitentiaries Paul Faguy and the guards and administrators of the Canadian Penitentiary service. Convict Terrance Landry, 25, is the latest victim of the death penalty. Stabbed to death in his Collin's Bay cell. This week, in Kingston's Frontenac County court house, the charges against his accused executioners were dismissed after the Crown witnesses—all Collin's Bay convicts—found some reason for not testifying. One announced he was mentally incompetent. Another said he feared reprisals. A third said he could not identify the accused. Case closed, said the judge. Nothing said or suggested about the witnesses being charged with obstruction of justice. Just . . . case closed.
>
> Our prisons are becoming a no-man's land beyond the rule of law and civilized men.

I suggest that this is the issue that requires the priority consideration of the government if we are going to come to grips with the emotion-laden subject that the government is force feeding Parliament at this particular moment. The very fact that government supporters are introducing amendments indicates there is no more consensus on that

side of the House than there is on the opposition side of the House.

I want to say that I support the amendment that has been put forward by the hon. member for Louis-Hébert (Mrs. Morin). I support it on the basis of the comments I made on second reading, at which time I said that at this juncture in our political and judicial procedures Parliament is not ready to go beyond the solution of this very difficult problem that was arrived at by the Parliament of Canada back around 1960, when the decision was made to divide the treatment of homicide into the two categories of capital and non-capital murder.

● (2150)

The hon. member for Louis-Hébert (Mrs. Morin) pointed out last evening that in her amendment murder combined with rape and kidnapping is a form of premeditated murder, because obviously murder follows the other act. That is the sort of category of homicide that is taken care of by the division into capital and non-capital murder which was the solution of this Parliament just over a decade ago.

When this comes to a vote, I hope that hon. members will support the hon. member because, as one of the few women members of this Parliament, she has that special sensitivity and humanity which takes in both sides of the question and not only considers the fate of the murderer but also the fate of the murder victim and the loved ones and family of the murder victim.

I should like to point out to those who are emotionally arguing this case from the standpoint of blatant humanism that this flies in the face of Judaeo-Christian traditions. I have never debated this question from the religious standpoint because correspondence from both sides of the question, within the same denomination reveals divided opinion. Humanism ignores completely the Christian understanding of man's nature and his destiny.

A moment ago the hon. member for Oshawa-Whitby (Mr. Broadbent) was quoting the Prince of Peace and the Son of God and the Son of man. When He Himself was the victim of capital punishment in the most heinous form, He forgave His tormentors. But I would remind the hon. member for Oshawa-Whitby (Mr. Broadbent) that He also said that the heart of man is desperately wicked. To ignore that fact of the Christian interpretation of man's nature and destiny is to be accused of naïvety, if not complete unawareness of the real nature of the evil that lurks in the deepest recesses of the human mind.

This view is also supported by the Freudian psychologists—if you want to get into that area of human behaviour—who describe the id as the murky recesses of the subconscious which bubble to the surface and cause human beings to perpetrate the most heinous crimes. Society, from the beginning of time to the present moment, has through the judicial process endeavoured to cope with the evil that lurks in the human heart by the due process of law.

I would also remind hon. members that the whole political process involves more than this legislature. Are we going to ignore and completely downgrade the responsibility of the judiciary in this matter in dealing with the problems of law and order, in dealing with crime and punishment? That is what humanists would argue in their unadulterated, almost blandly innocent, humanistic approach to the great issues of life. I would say that the legislation under which we are operating now, which automatically came into effect after the five-year experimental period, gives the judiciary its responsibility in this matter and makes it possible for our judges, who after all are experienced and learned in the law, to decide in which category homicide will be judged, whether it is capital or non-capital, and then to judge the culprit in the light of our system of jurisprudence.

Some hon. Members: Hear, hear!

Mr. Dinsdale: In his appeal to the House last night the Solicitor General (Mr. Allmand) made an impassioned plea for outright abolition. According to *Hansard*, he was interrupted in the course of his remarks and asked how we were dealing with problems of law and order which are reflected in the breakdown of some of our basic institutions at the present time. He replied that this is a very difficult and complex matter.

Everyone, I am sure, is sufficiently humane to wish that we lived in a society where we could do away with capital punishment. This is the objective toward which the whole human family, we would anticipate, has been marching since the dawn of creation. This is the objective which is envisaged by even the Old Testament prophets when they say there will come a day when the lion will lie down with the lamb and we will beat our swords into ploughshares, that there will be no more war and every man will live under his own vine or fig tree, and so on and so forth. But that day is not yet, and that day is not even going to come if we have the socialist Utopia that some hon. members in this chamber look forward to.

As a matter of fact, whenever we have looked forward, on the basis of ideological doctrine, to some sort of politically dominated system which describes itself as communism or socialism, the due process of law has been ignored.

Some hon. Members: Oh, oh!

Mr. Dinsdale: The due processes of the judiciary suffered not only in capital punishment, but in mass extermination and all the other phenomena we have witnessed in the twentieth century. It is the dreamers, those philosopher kings, who in the last part of the last century said, "Every day and in every way we are getting better and better". They thought that as we moved into the twentieth century we had at last reached the age when mankind was able to resolve all the problems of evil. But they have been shaken to the core, I am sure, during the twentieth century by the fact that it has been the century of two worldwide conflicts, the century of genocide, mass extermination. Yet the humanists blandly stand up in this House and suggest that the time has come when we do away with the due process of law—

An hon. Member: That is not true.

An hon. Member: Who said that?

Mr. Dinsdale: —and we condemn the victim.

Some hon. Members: Hear, hear!

Mr. Dinsdale: We are so confused in our moral outlook, Mr. Speaker—

An hon. Member: Keep it up, you are getting to them.

Mr. Dinsdale: We are so confused in our moral convictions that, on the one hand, certain members are suggesting that we save the life of the murderer and advocate infanticide through abortion on demand.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

TRANSPORT—REQUEST THAT MEASURES BE TAKEN TO AVOID ACCIDENTS WHICH RESULT IN DROWNINGS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, on July 4 I asked the Minister of Transport (Mr. Marchand) if he was aware of the mounting number of tragic summer accidents which result in drownings in the Great Lakes, the Trent canal and other waters of Canada. If so, was he prepared to take the necessary steps to halt this appalling loss of life? The minister replied by saying that we are doing all we can.

● (2200)

One of the reasons, perhaps the most important reason, for my bringing this up is that quite recently a new houseboat, supposedly built by experts, floundered. It sank within a few feet of the dock with the loss of two lives. This boat was supposedly built by expert builders. Why did it go down? This is merely one example of the sort of thing I mean, and I do not intend putting cases on the record that all of us know about.

Over and over again we see tragedies that shock and disturb the whole community. Last season a boat set out from the shore of one of the Great Lakes. There were nine people in it. It was overloaded, the gunwales being almost down to the water line. It sank about half a mile out with the loss of all but two.

I ask, is it not about time we did something about this problem? The responsibilities of the federal government are serious enough. It should take a close look at this area. Are wharf users supervised? Are they told to use certain areas? Are inspectors appointed in all congested boating areas? What inspections are made of boats before they go in the water? Is instruction given, and is education available in this area?

Of all forms of accidental death, drowning ranks third, surpassed only by motor vehicle accidents and falls. As you know, Mr. Speaker, motor vehicle accidents on highways maim over 500,000 people a year on the roads of North America. Those accidents kill over 5,000 people in Canada. Drowning comes next but one in importance as a

cause of death. It is interesting to note that 88 per cent of drowning accidents involve males, that of total male drownings, 44 per cent involve males under 20 years of age, and a further 33 per cent involve males who are between 20 and 40 years old. Among young people of school age, between 4 and 24 years of age, accidents claim far more deaths than all kinds of diseases combined. In this age group motor vehicle accidents rank as the leading cause of death, and drownings rank next as the cause of death.

Taking the normal life expectancy of these young drowning victims as 70 years, their deaths represent a combined loss of nearly 60,000 man years. The male-female sex ratio of drowning victims in these ages was less than seven to one—that is, seven males drowning to one female—compared with a ratio of over 13 to one for ages over 24. Canada's record of drownings at 6.5 per 100,000 of population is substantially higher than that of either the United States or Great Britain. Twice the number of people per capita drown in this country as compared with England, and our drowning ratio is 50 per cent greater than that of the United States. While drownings occur every month of the year in Canada, they appear to be most heavily concentrated in the couple of months of summer recreational activity and annual vacations, when more people go on our waterways. On the other hand, in England and in much of the United States, people can swim 12 months of the year.

Three quarters of the fatalities were due to unexpected submersion. That means that the people involved were thrown into the water. This may have happened because of boating mishaps and falls. Only one fifth of drownings occurred as a result of voluntary submersion involving swimming, wading and diving. That shows that where lifeguards supervise the accident rate has been much improved. Small boat accidents account for 31 per cent of all victims.

The greatest factor in drownings involved falls into rivers. This hazard caused 25 per cent of the drownings. Accidents while wading, diving, etc. were responsible for 20 per cent of all drownings, and 47 per cent of drownings involve the age group between 15 and 19. In 90 per cent of the cases a male was involved, females comprising only 10 per cent, and two thirds of those girls were under 15 years of age. Falls into rivers and lakes constituted one of the greatest hazards for the pre-school age group in which girls accounted for about one fifth of drownings. Swimming accidents in the 5 to 14 year age group accounted for nearly a third of drownings. Falls into lakes and rivers claimed the next largest group of victims, and ice accidents were a particular hazard for this group.

In the age group beyond 50 years, males predominated by more than ten to one in involvement in accidents; accidents in small boats were almost as frequent and accounted for a third of drowning fatalities in this age group.

You will see by these statistics, Mr. Speaker, that younger people make up the bulk of all those involved in accidents in the water. Many are in their most productive years or are just approaching those years. It is for this reason, regardless of who is responsible, that I want to see action taken. Certainly the federal government is liable on

the international and federal-provincial waterways and on its own canal system. We need more accurate reports of all water accidents, a study on how to cut this loss and the funds with which to do it.

I hope the minister will have something definite on this. He said he was working on it. I hope he has something to tell us. The minister will say there are certain written laws governing boating and equipment, but are inspections made regularly? The law may be there, but is it being respected?

Mr. Charles Turner (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, the Ministry of Transport regulates pleasure craft by means of the small vessel regulations which set forth the mandatory requirements for life saving and fire fighting equipment. They also make mandatory the affixing of a Ministry of Transport load and horsepower capacity plate which sets out recommended maximums for normal boat operation on any outboard motor not exceeding 16 feet in length powered by a motor of 10 h.p. or more. Provision is made in the regulations for enforcement by peace officers.

The boating restriction regulations provide a means whereby a local government or authority may initiate action through a provincial government to have a formal request from a provincial authority made to the federal government to have a restriction imposed on a given body or area of water. The purpose of the regulations is to prohibit or restrict some or all types of boating activity on the waters specified. It has the very great advantage of having all local differences of opinion sorted out before the province concerned makes formal application to the federal government to have a restriction or prohibition imposed.

The Ministry of Transport approves small vessel lifejackets on the basis of the requirements set forth by the lifejacket committee of the Canadian government specifications board. One of the requirements of this ministry is that every ministry-approved small vessel lifejacket sold be accompanied by the ministry publication "Your Lifejacket," which sets out advice in both official languages on the care and usage of lifejackets.

In an effort to inform the boating public and to alert them to the necessity for safe boating procedures, the ministry publishes and circulates free of charge the pamphlet "Boating Safety Guide". This is published in both official languages and circulation this year has passed the 500,000 mark.

In addition to the foregoing, there are penalties provided in section 240 of the Criminal Code of Canada for operating a boat in a hazardous manner, operating a boat under the influence of alcohol or drugs, towing a water skier during the hours of darkness or without having an observer in the boat.

The ministry is in the process of developing standards for the safe construction of pleasure craft. This is being done in consultation with industry with a view to making such construction standards mandatory. An ongoing program of liaison, public speaking and information dissemination is carried out by the coast guard rescue officer at Trenton with a view to encouraging the safe operation of pleasure and commercial craft. A rescue co-ordination centre is maintained at Trenton, Ontario, which has as one of its tasks the co-ordination of marine search and rescue operations. This centre is manned jointly by Canadian Armed Forces and Canadian coastguard personnel on a 24 hour per day, seven day week, basis.

The Canadian coastguard operates three primary search and rescue cutters, the *Spray, Spume* and *Spindrift*, on the Great Lakes. In addition, the coastguard operates numerous other vessels that are also available to respond quickly to search and rescue missions. The possibility of reactivating an "R" class search and rescue cutter for service on the lakes is being investigated at this time.

An equipment evaluation program is taking place this summer with a view to expanding the trial program of inshore rescue boats introduced with great success last year on the Pacific coast.

REGIONAL ECONOMIC EXPANSION—NORTHERN ONTARIO—JOINT ACTION WITH PROVINCE TO FORMULATE CO-ORDINATED DEVELOPMENT PLAN

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, on June 4 last I asked the Minister of Regional Economic Expansion (Mr. Jamieson) what action for co-ordinated federal-provincial planning was being taken to promote the economic development of northern Ontario, especially the development of secondary industry. I also asked the Prime Minister (Mr. Trudeau) this question:

● (2210)

Bearing in mind that a DREE report said . . . that thousands of jobs would be lost in northern Ontario due to redundancy in the next few years, what immediate steps will be taken to prevent such an economic upheaval in our area?

The parliamentary secretary said studies were under way, and blamed the province of Ontario for lack of development in the north. The Prime Minister gave a vague reply to the effect that developments were taking place.

Today marks the opening of the conference between the western premiers and the federal government on the subject of the economic alienation of the west. I am gratified to see that the Prime Minister has finally discovered the west and admitted that the development of the west has been neglected by the federal government. Indeed, as the Prime Minister said, the role of the west as primarily a supplier of raw material is over. I hope the Prime Minister will also discover northern Ontario, for we have been for decades suppliers of raw materials with the result that people in our part of the province have been unable to find jobs in secondary industry. I hope the Prime Minister can make the same promise to us in the north and assure us that we will no longer be merely suppliers of raw materials for the heartland of Ontario.

We have been hewers of wood and drawers of water for too long. We have exported our pulp, our iron ore, our minerals, and in doing so we have exported jobs. Between 1966 and 1971 the population of northern Ontario showed a net gain of only 886 people. Between 1965 and 1969 only 14 new manufacturing plants were established in the whole of northern Ontario, employing 527 people. Contrast this with what has happened in the southern part of the prov-

ince. Over half of all the new manufacturing capacity has gone there, and in a three year period the population increased by almost half a million people.

It seems to me the federal government has failed in its DREE program to take into account the relationship between the south and the north of this province. I find its working paper, its report, to be a very shallow one, much of it already outdated, particularly with reference to the Abitibi Pulp and Paper plant in Sault Ste. Marie. No reference is made to the fundamental problem in northern Ontario, the failure of federal and provincial governments in the past to do more than provide incentives for northern development. This is the old carrot and stick approach carried out by the Department of Regional Economic Expansion, the Northern Ontario Development Corporation and other agencies, both federal and provincial. We must move beyond this idea of merely giving incentives to the north and adopt a co-ordinated plan of development. We need incentives in the north, but there should also be disincentives to discourage industry locating in the golden horseshoe. In the absence of such disincentives the advantages of locating in the south will always outweigh the attractions of the north, no matter how many incentive programs apply in northern Ontario.

There is need for a comprehensive examination of transportation costs. I might mention that Simpsons-Sears and Eaton's put out two catalogues, one for the south and one for the north. We have to pay between $5 and $20 more than is paid in the south for identical products because of the extra cost of freight. There is need for a complete reassessment of the schedule of rates which discriminate against northern Ontario. A Crown development corporation should be established to co-ordinate plans and promote industry through the expenditure of government funds in the north similar to the arrangement which has been set up in the Maritimes.

Attention should also be paid to the growth centre concept so that communities may have a chance to develop around cities in the north which have some potential for industrial expansion. A Liberal federal government has in fact failed to promote secondary industry in northern Ontario in the past, and so has a Conservative provincial government. These two governments are acting together and tell us they will come up with a great new plan. I hope both governments will listen to the people of the north such as representatives of the municipalities, industrial commissioners, interested businessmen and labour union people who have some very sound ideas about our problems and what is wrong. We have ideas for the north. We will not be content any longer with mere vague plans and promises. We want action now. I should like a response from the parliamentary secretary concerning what specific action will take place now in northern Ontario.

[*Translation*]

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the hon. member for Sault Ste. Marie (Mr. Symes) did, in fact, ask a question some time ago, to which I replied, and I might very briefly elaborate on the measures which have been taken since then.

As the hon. member is aware, the minister appeared before the parliamentary committee on several occasions. He announced that he was undertaking a series of consultations with the provincial governments. This was done, and they have now been completed. The various levels of government are in the process of developing the solutions which may be applied to this very serious problem raised by the hon. member.

The report of the various provincial committees was tabled in the House last June; the details on the reorganization of the department were announced to the committee members, and in particular to the employees of the department, on July 5, and the minister has, moreover, been prepared to table the internal management documents since last July 5.

The minister also announced, not only that a regional office will be set up in each of the major centres, such as the Maritimes, Quebec, Ontario and the western provinces, but also that special measures concerning a very special office will be considered, and possibly approved for northern Ontario.

The hon. member pointed out, in his remarks, that the time has now come to act, but in the same breath he said that we need—

[*English*]

If I am quoting the hon. member correctly, I believe he said we need a comprehensive study of transportation rates. The hon. member said we need action now. The hon. member at the same time stated that we need a whole re-assessment; that we need a Crown corporation to study the situation, and at the same time he said we need action now. Then he said we need a new centre concept, and he wants action now.

Needless to say, if we really want to know where we are going we must definitely be sure of what action will be taken. This demands much co-ordination between the provincial government and the federal government. I am not trying to pass the buck, but I must say that much of the responsibility for this is in the hands of the provincial government. In this connection, however, I wholeheartedly agree with the hon. member that not only has the time come for action, but that the time has come to see whether the natural resources of Canada will be sent out of Canada in their raw state or as finished products. This is a major problem not only for northern Ontario but also in respect to natural resources in the province of Quebec and in the western provinces. So I think some action will be taken having in mind the very good words of the hon. member.

● (2220)

TRANSPORT—INCREASE IN FREIGHT RATES IN ATLANTIC PROVINCES—POSSIBLE GOVERNMENT ACTION TO OFFSET SERIOUS EFFECTS

Mr. David MacDonald (Egmont): Mr. Speaker, I rise to raise again the matter of the transportation policy of the federal government in eastern Canada, a subject which has been raised constantly in the chamber over the years and more specifically during the month of June by the hon. member for Hillsborough (Mr. Macquarrie) and myself. On June 18, both the hon. member for Hillsborough and I inquired of the minister whether or not he would shortly take action to alleviate the very serious situation with respect to freight rates in the Atlantic

provinces. This is a matter with which the minister is not unfamiliar inasmuch as a major delegation of Atlantic premiers plus interested parties approached the minister earlier this year, and at that time the Minister of Transport (Mr. Marchand) gave extensive assurances to them as well as to representatives of major organizations that action would very shortly be taken.

Unfortunately, in recent weeks the Minister of Transport has apparently preferred to shift the burden of responsibility for federal transportation policy to the Atlantic premiers, and to my mind this has been a rather poor effort on his part.

It is somewhat of a coincidence that tonight I have the opportunity again to raise this matter, because just yesterday an announcement was made with respect to transportation in the Atlantic provinces and in Quebec. The announcement—I will not read all of it but only the first few lines which set out the basic aspect—reads in part:

> The government of Canada and governments of Newfoundland, Nova Scotia, New Brunswick, Prince Edward Island and Quebec have reached agreement in principle that to assist regional industry the existing westbound Maritime Freight Rates Act and Atlantic Region Freight Assistance Act 30 per cent truck and rail subsidies will be augmented for selected commodities. This increase will be subject to existing regulations of the Maritime Freight Rates Act and Atlantic Region Freight Assistance Act, and in addition the following conditions are intended . . .

I plan to speak about those conditions for a moment, but I want to comment, first of all, on the basic announcement. The announcement really leaves out more than it includes. The basic question of the extent of the increase above 30 per cent which has operated since 1969 is not defined, and I think this is an incredible omission after this length of time.

In the late 1960s we adopted a new transportation policy, and I think since September of 1969 there have been successive increases which have detrimentally affected the economy of the Atlantic provinces. These increases run to something like eight or nine in number, and the impact extends in a major way to almost 68 per cent in increases in the past four years. Now we are given this announcement by the minister with very little indication of what it will mean to producers in the Atlantic provinces. There is no indication what commodities would benefit or to what degree. There is no indication how much of a rate increase we can expect. We are simply told that there will be an augmentation of the present one.

Will it significantly close the very large gap that has opened in freight rate increases in the last four years? We are not told. Will it be a token gesture to placate some of the more vociferous elements of the economic community of the Atlantic provinces? We are not told. When will it start? Again there is no indication. Most important of all, who will make the basic decision in terms of the variety of rates and the commodities which will be covered? In terms of the qualifications that are attached to this announcement, we are shown again that there is no willingness to face in a serious way the considerable transportation difficulties that exist in the Atlantic provinces. This is a very selective kind of announcement in that it will only cover one way traffic; that is, outbound western traffic from the Atlantic provinces. It in no way will deal with the very serious problems for manufacturers and processors in the Atlantic provinces who often must import at very high charge, because of transportation costs, materials and items used in the manufacture of finished products either for distribution and sale in the Atlantic provinces or beyond.

This announcement will not deal with our export situation. This is an incredible admission when you realize that the Atlantic provinces are on the doorstep of major export markets both in Europe as well as in the eastern seaboard region of the United States.

There is no clear-cut assistance, as I said previously, for manufacturing materials. Also there is no grappling with the fundamental problem of what to do with intraregional transportation. This, in addition, will be complicated by the fact that the administration that is likely to be loaded on to the carriers, and to some degree on the shippers, may add to costs. I do not think that matter has been examined in view of the very brief announcement by the minister.

I hope that the parliamentary secretary, in replying this evening, can give us some indication that there will be a much more positive, comprehensive and detailed program announced very shortly. Otherwise the alienation that has been greatly discussed in western Canada will become even more apparent in Atlantic Canada.

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, concerning the rate increases, the railways have given notice that they will increase agreed charges for all contracts by 6 per cent. One of the conditions under the law is that these contracts may be terminated by either side on three months written notice. Agreed charges are low contract rates voluntarily agreed to by shippers and railways, in return for which the shippers agree to ship a stated percentage of their traffic by rail.

Shippers who are parties to agreed charges affected by the railways' announcement have the option of agreeing to the higher rates that will be effective September 1, or afterwards, or of withdrawing from the agreed charges, in which case they could ship by rail at open tariff rates, or by another mode such as truck, or ship their goods by their own trucks. But there is no general increase in freight rates anticipated in the Maritimes.

The Minister of Transport (Mr. Marchand) and the Minister of Regional Economic Expansion (Mr. Jamieson) met on April 9 with the premiers of New Brunswick, Nova Scotia, Newfoundland and Prince Edward Island to discuss transportation matters affecting the Atlantic provinces. It was agreed at that meeting that steps should be initiated to increase westbound Atlantic region freight subsidies above the current 30 per cent level on a selective basis, aimed particularly at helping the manufacturing and agricultural industries in that region. It was also jointly agreed that the federal-provincial committee on Atlantic region transportation would begin working out such a program.

While an officer of MOT is chairing the committee, the definition of commodities to qualify for the selective subsidies was made the responsibility of the provincial members of the committee. They felt that they could not draw up this list from their own resources but should consult with local industry.

On June 21 the Minister of Transport announced that the federal-provincial committee was making good progress toward finalizing recommendations for the selective increases. He said that the increases were intended to aid Atlantic region shippers east of Quebec City in reaching the central Canadian market. He said that shippers in the Atlantic region would be notified shortly by public advertisement of the general basis of eligibility under the selectivity criteria being developed, and that they would be invited to submit to their respective provincial governments lists of commodities they wish included in the expanded subsidy program. This process will likely take some time, and at least one or two more committee meetings, before matters are finalized.

Motion agreed to and the House adjourned at 10.31 p.m.

HOUSE OF COMMONS

Wednesday, July 25, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

TRENDS IN FOOD PRICES

Second report of the Special Committee on Trends in Food Prices—Mr. Cullen.

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

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TRANSPORT

TABLING OF AGREEMENT ON DEVELOPMENT PROGRAM IN NORTHERN BRITISH COLUMBIA

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, on behalf of the Minister of Transport (Mr. Marchand) and pursuant to Standing Order 41(2) I am tabling copies in both official languages of an agreement in principle concerning a joint transportation development program in northern British Columbia.

* * *

[*Translation*]

INDUSTRY

TABLING OF REPORT OF CLOTHING TEXTILE BOARD AND CLOTHING BOARD REPORT ON COTTON YARNS

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, under Standing Order 41(2), I should like to table in both official languages a report from the Textile and Clothing Board on cotton yarns.

* * *

[*English*]

EXTERNAL AFFAIRS

TRIBUTE TO THE LATE DR. JOSEPH FRANCIS SHIELDS, IRISH AMBASSADOR TO CANADA

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it is with great personal sadness that I advise the House of the death yesterday of His Excellency Dr. Joseph Francis Shields, the Irish Ambassador to Canada. Dr. Shields was a true representative of his country with a warm and understanding personality, well seasoned with Irish wit. He devoted all his efforts while in Canada to furthering Irish-Canadian relations, at no little cost to his own health. I know that the many members of this House who also knew Dr. Shields will share my sorrow at his passing.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

ETHNIC STUDIES CENTRE

Question No. 1,913—**Mr. Yewchuk:**

1. On what date does the government plan to begin construction of an Ethnic Studies Centre?

2. In what city (or cities) will such a centre (or centres) be located?

Hon. James Hugh Faulkner (Secretary of State): 1. The government does not plan to construct an Ethnic Studies Centre.

2. Not applicable.

DISPOSAL OF SHIPS USED IN HAULING OF ARCTIC CARGO

Question No. 1,966—**Mr. Forrestall:**

1. Of the ships involved in the contracts issued in 1971 and 1972 for hauling Arctic cargo by water, how many of the ships involved were during the life of the contract or shortly thereafter sold for scrap (a) what were the names of each (b) to which companies did they belong?

2. If the government is not aware of the eventual disposal of such vessels, for what reason?

Hon. Jean Marchand (Minister of Transport): 1 and 2. None to our knowledge, however, M. V. *Tavastiand,* operated by Federal Commerce & Navigation Co. Ltd. was damaged during the 1972 sealift and it is understood the vessel will be scrapped.

NATIONAL DEFENCE PERSONNEL—RECOVERY OF COSTS

Question No. 1,998—**Mr. Lawrence:**

What amounts were charged by the government and subsequently forgiven, for the use of Canadian Armed Forces personnel and equipment to, in or for the use of any of the provinces or territories within Canada, in the year 1958 and in each of the years 1962 to 1972 inclusive, for any purpose, listing the number of Forces personnel and type of equipment utilized, the dates and purposes of the operation, the details of the charges and the reasons and authority for the subsequent forgiveness of "write-offs"?

Order Paper Questions

Hon. James Richardson (Minister of National Defence): 1. No charges to the provinces or territories for the use of Canadian armed forces personnel or equipment have been written off. As reported in the Auditor-General's Report for fiscal year 1971/72, there are outstanding accounts with six provinces and one of the territories for a total of $845,000.

2. The federal government, in accordance with Section 13 of the Financial Administration Act and the then applicable Privy Council Order 1962-13/653, waived charges to the Province of Quebec for Canadian Forces personnel and equipment called out in aid of the civil power in October 1970. Within a few hours of the request from the province, the forces were placed under the authority of the War Measures Act and thus deemed to be performing a federal service in a national emergency. This was a role provided for within defence priorities and hence an integral part of a departmental program for which provision had been made within departmental appropriations.

POST OFFICE—OVERTIME WORKED IN VICTORIA, B.C.

Question No. 2,094—**Mr. McKinnon:**

Has there been an increase from September, 1972 to March, 1973 in the hours of overtime worked in the Victoria Post Office, City Floor and, if so (a) by how much (b) on this basis, will the Postmaster General now consider thawing the freeze on hiring permanent employees in that area?

Hon. André Ouellet (Postmaster General): (a) The following are the amounts of overtime worked in the Victoria Post Office, City Floor, during the months shown: September 1972, 1,228 hours; October 1972, 1,369 hours; November 1972, 1,351 hours; December 1972, 457 hours; January 1973, 1,635 hours; February 1973, 1,755 hours; March 1973, 2,319 hours; (excludes overtime worked on Statutory Holidays), (b) There has not been a "freeze" for many years, relating to the hiring of employees.

FEDERAL DEFICIT 1962-1972

Question No. 2,236—**Mr. Mather:**

What was the total federal deficit in the period 1962-1972?

Hon. John N. Turner (Minister of Finance): For the 11 fiscal years commencing with 1962-63 and ending with 1972-73, the total federal deficit was $3,336 million.

MR. IVAN HEAD

Question No. 2,310—**Mr. Cossitt:**

Has the Prime Minister or his office received any notification or indication from Mr. Ivan Head of his intention to terminate his employment for purposes of seeking nomination as a candidate of the Liberal Party in the next federal election and, if so, on what date will such termination take place?

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

MR. MARTIN O'CONNELL

Question No. 2,311—**Mr. Cossitt:**

Has the Prime Minister or his office received any notification or indication from Mr. Martin O'Connell of his intention to terminate his employment for purposes of seeking nomination as a candidate of the Liberal Party in the next federal election and, if so, on what date will such termination take place?

[Mr. Lawrence.]

Right Hon. P. E. Trudeau (Prime Minister): No. However, Mr. O'Connell has indicated his intention at some future date to seek nomination as a candidate in the next federal election.

MR. JOHN ROBERTS

Question No. 2,312—**Mr. Cossitt:**

1. Has the Prime Minister or his office received any notification or indication from Mr. John Roberts of his intention to terminate his employment for purposes of seeking nomination as a candidate of the Liberal Party in the next federal election and, if so, on what date will such termination take place?

2. Is it the intention of the government or the Prime Minister to replace Mr. Roberts with a person who was a defeated Liberal candidate in the 1972 federal election?

Right Hon. P. E. Trudeau (Prime Minister): 1. John Roberts tendered his resignation on June 5, 1973 to become effective as of June 22, 1973.

2. In due course, a suitable replacement will be found for Mr. Roberts.

MR. JOHN ROBERTS

Question No. 2,313—**Mr. Atkey:**

1. (a) On what date was Mr. John Roberts appointed Program Secretary to the Prime Minister (b) on what date did he resign this position (c) what was the annual rate of salary he was paid in this position (d) what was the total amount of salary and expense monies actually paid to him during the time he held this position?

2. Since his resignation as Program Secretary, has any department or agency of the government, or any Minister, entered into any type of contract or arrangement with Mr. John Roberts or with any corporation controlled by him or of which he is an employee and, if so, what is the *per diem* rate for fees and expenses that are to be paid to him or his corporation or employer for his services and what fees and expenses have actually been paid to him to date?

Right Hon. P. E. Trudeau (Prime Minister): 1. (a) See answer to Question No. 612 (*Hansard* Page 4,150). (b) See answer to Question No. 2,312. (c) See answer to Question No. 612 (*Hansard* Page 4,150). (d) $16,757.33.

2. No.

PACIFIC ENVIRONMENT CENTRE

Question No. 2,360—**Mr. Reynolds:**

1. Did the Task Force Report of December 15, 1972 in connection with the requirements for a Pacific Environment Centre (TEAG) state that employees and the public will have difficulty with access to this site and, if so (a) what plans have been made to overcome this problem (b) do the estimates for the Environment Centre include additional costs which will be required to meet this problem?

2. Did the Report indicate that a Third Crossing of Burrard Inlet may be necessary, particularly with respect to location of site facilities and, if so, what has been the reaction of the Vancouver City Council and the Government of British Columbia to such a proposal?

3. Did the Report indicate that by the time the Centre is ready for occupancy in 1976 or 1977 there will be over 400 persons employed at the proposed new site and, if so, has the government

taken into consideration (a) the environmental impact (b) the traffic congestion (c) the additional air pollution which may be generated on this route and in the area of the proposed site?

Mr. William Rompkey (Parliamentary Secretary to Minister of Environment): 1. The TEAG Report recognized that the proposed site will cause a major change in commuting patterns for many employees. The Report suggested the need for over-or-under crossing of the railroad tracks and for at least two access/egress roads to the site. TEAG is being re-engaged to report further on solutions to these problems.

2. The third crossing was being actively considered by all three levels of government at the time of the TEAG study. The TEAG Report indicated that the possibility of a crossing of Burrard Inlet being built near the site may prove a significant factor in site planning. An in-depth study of the matter will be needed before final decisions are made regarding location of site facilities. There has been little evidence since that time that the three levels of government will proceed with a third crossing in the near future.

3. The TEAG Report estimated 446 employees on the site by the end of 1977; (a) the Centre will enhance the immediate environment and is planned as a stimulating working milieu for employees and an attractive information centre for visitors: (b) TEAG is being re-engaged to provide a further study of traffic problems; and (c) it is the intention that the Centre will set a good example by strictly observing existing criteria and regulations designed to preserve air quality. It is planned to accommodate a tower, equipped with air quality sensors, at the Centre.

LOCATIONS RECOMMENDED FOR PACIFIC ENVIRONMENT CENTRE

Question No. 2,361—**Mr. Reynolds:**

1. Did the Task Force Report on a Pacific Environment Centre consider or recommend locations other than the North Shore and, if so (a) which ones (b) for what reason were these locations not considered satisfactory?

2. Who decided on the proposed site?

Mr. William Rompkey (Parliamentary Secretary to Minister of Environment): 1. Yes; (a) False Creek, U.B.C. Endownment Lands, Steveston, and (b) False Creek site was rejected because some of the long-term leases would unduly delay planning and construction of the Centre; U.B.C. Endownment Lands because they were too remote to be readily accessible to downtown public and because of lack of dock facilities; Steveston because it was too remote and unsuitable for the development of adequate docking facilities.

2. The three sites proposed in the preliminary study were determined to be unsuitable or unavailable at that time. The Department was advised in the spring of 1972 that the Fullerton property in North Vancouver was expected to become available. Because of its size and suitability for the construction of docking facilities, TEAG recommended this site.

Order Paper Questions

ATMOSPHERIC ENVIRONMENTAL SERVICE, VANCOUVER INTERNATIONAL AIRPORT

Question No. 2,362—**Mr. Reynolds:**

1. Has the government considered the advisability of retaining the Atmospheric Environmental Service at Vancouver International Airport where the weather office is now located and is to be enlarged?

2. Where do the majority of the weather office staff reside and is the government considering some measure to alleviate the financial penalty on the majority of aviation weather forecasting personnel which will be brought about by a change in location?

3. Will the government reimburse employees who relocate to North Vancouver?

Mr. William Rompkey (Parliamentary Secretary to Minister of Environment): 1. Enlargement of the main weather office (the Pacific Weather Central) was done two years ago. The decision to move this office from the airport was based on three considerations: (i) The Ministry of Transport has indicated a future need for the space now occupied by the Pacific Weather Central. (ii) It was determined that the encroachment of buildings and hangars, and the increase in noise levels will make the present site less suitable, possibly unacceptable. (iii) It is the policy of the Atmospheric Environment Service to locate major components in DOE Environment Centres as they are built across Canada when possible.

2. Seventy-nine per cent of the staff live south of 41 Avenue; 51 per cent south of the Fraser River. Studies are under way to assess the time and financial penalties which will be brought about as a result of the proposed change of work site. When these studies have defined the problem, the government is prepared to examine measures to alleviate any undue hardships which become apparent.

3. Present government regulations do not provide reimbursement for employees whose place of work is moved within a metropolitan area.

PACIFIC ENVIRONMENT CENTRE

Question No. 2,363—**Mr. Reynolds:**

Did the Task Force Report on a Pacific Environment Centre indicate that the proposed Environment Centre will contain a public education display in order to attract visitors, tourists and school children on a regular scheduled basis, as well as influential visitors from the International Community concerned with matters of the environment and has the government considered the impact of the image that will be projected by having a proposed centre located near a dirty polluted heavy industrial area?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Yes, the Centre will set an example of good environmental management for surrounding activities. The site is large enough to permit development as a successful functional complex and as an attractive site for visitors.

COMMENCEMENT OF CONSTRUCTION ON PACIFIC ENVIRONMENT CENTRE

Question No. 2,364—**Mr. Reynolds:**

Is the proposed Pacific Environment Centre to proceed at the North Shore location and, if so, on what date will construction commence?

Order Paper Questions

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Yes, negotiations to acquire the property are proceeding. As soon as the property is acquired, site investigation, detailed planning and design of the complex, preparation and approval of drawings and calls for tender would be followed by beginning of construction. It is estimated that construction could begin approximately 18 months after the site becomes available.

BRITISH COLUMBIA—FISHERIES RESEARCH EXPENDITURES

Question No. 2,368—**Mr. McKinnon:**

1. What were the fisheries research expenditures in the Rivers Inlet/Owikeno Lake area of British Columbia for the past five years?

2. What was the purpose of this research?

3. Is this research being actively pursued at present?

4. Have any of the initial research objectives been completed and, if so, which ones?

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): 1. Fisheries and Marine Service expenditures in the Rivers Inlet/Owikeno Lake area of British Columbia total $345,000 for the period 1969-73.

2. The purpose of this research is salmon management studies and logging impact studies.

3. The salmon management studies are continuing at present. The logging impact studies have been transferred to Carnation Creek, Babine Lake, Lake Lakelse and Slim Creek.

4. Initial research objectives that have been completed are: (a) Determination that no significant trends exist in age composition, size or sex ratio of the sockeye salmon taken in the commercial catch; (b) Determination that Rivers Inlet sockeye salmon can be distinguished from those of Smith Inlet by physical parameters; (c) Determination that it is not possible to show any significant difference in timing of stocks to Owikeno Lake; (d) Determination that there is a positive correlation between smolt abundance and resultant adult returns which offers promise for prediction of total returns; (e) Determination that the optimum escapement appears to be 500,000 adults, (sockeye); (f) Determination that early catches can no longer be used as an indication of stock abundance.

MR. ZAVIE LEVINE

Question No. 2,423—**Mr. Cossitt:**

1. On what date was Mr. Zavie Levine appointed Executive Assistant to the Solicitor General?

2. What previous positions did Mr. Levine hold with the government and what were the specific periods of time that he held such positions?

3. Does Mr. Levine have access to all files of any nature whatsoever maintained by the Department of the Solicitor General or maintained by any entities under the jurisdiction of the Department of the Solicitor General?

4. In the course of his duties does Mr. Levine at any time have access to files or documents of a classified nature pertaining to the Royal Canadian Mounted Police or to the Police and Security Planning Analysis Group?

[Mr. Reynolds.]

Hon. Warren Allmand (Solicitor General): 1. December 1, 1972.

2. Special Assistant to the Minister of Labour: September 8, 1971 to January 25, 1972.

3 and 4. Special Assistant to the Minister of Manpower and Immigration: January 26, 1972 to November 27, 1972. It is not considered to be in the public interest to provide information as to who does and who does not have access to classified information of the government of Canada.

STOLPORT, ROCKCLIFFE

Question No. 2,442—**Mr. Mazankowski:**

1. Were tenders called for the installlation of the STOLport at Rockcliffe and, if so, who submitted bids and in what amount?

2. Have contracts or tenders been called for the terminal buildings and, if so, on what date will they be awarded?

Hon. Jean Marchand (Minister of Transport): 1. Yes. Francon, Division of Canfarge Ltd., Ottawa, $603,428.75; Dibblee Construction Co. Ltd., Ottawa, $612,299.00; H. J. McFarland Construction Co. Ltd., Ottawa, $637,364.95.

2. Yes. Contract awarded July 10, 1973, to the lowest tenderer.

STOLPORT, MONTREAL

Question No. 2,443—**Mr. Mazankowski:**

1. Were tenders called for the installation of the STOLport at Montreal and, if so, who submitted bids and in what amount?

2. Have contracts or tenders been called for the terminal buildings and, if so, on what date will they be awarded?

Hon. Jean Marchand (Minister of Transport): 1. Yes. Miron Company Ltd., Montreal, $1,593,975.13; Francon, Div. of Canfarge Ltd., Montreal, $1,650,656.40; Desourdy Construction Ltd., Saint Hubert, P.Q., $2,629,012.25.

2. Yes. The date of award is indefinite. The Ministry is awaiting the authority of Treasury Board to enter contract.

DREE—COMPANIES IN RECEIPT OF GRANTS WHO HAVE DECLARED BANKRUPTCY

Question No. 2,447—**Mr. Neil (Moose Jaw):**

Have any companies in the Province of Saskatchewan who received DREE grants in either 1971 ro 1972 declared bankruptcy or discontinued operations since receiving the grant and, if so, what are the names of the companies and the amount of the grants paid to each?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Yes, the following two companies ceased operations or were declared bankrupt, after receiving payment, during the control period stipulated under the respective legislation. This Department does not review the operations of applicants beyond the control period. Under the Area Development Incentives Act, Premier Feed Co. Ltd., North Battleford, ceased operations due to fire. Amount paid is $37,622. Under the Regional Development Incentives Act, West-Core Steel Limited, Saskatoon, Bankruptcy. Amount paid is $78,880.

QUESTION PASSED AS ORDER FOR RETURN

TRAVELLING EXPENSES OF FEDERAL EMPLOYEES

Question No. 929—**Mr. Knight:**

1. What were the names of full-time employees in each federal department, departmental corporation, agency corporation and proprietary corporation, whose headquarters were in Canada and who, in the fiscal year 1971-72, travelled outside of Canada and submitted their travel expenses?

2. In each case, what were the amounts of travel expenses, what were the destinations and what were the salary ranges to these employees?

Return tabled.

● (1410)

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers Nos. 232 and 233 are acceptable to the government subject to the usual reservations concerning confidential documents.

CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND INTERNATIONAL LONGSHOREMEN'S ASSOCIATION RELATING TO "TRAVETAL"

Motion No. 232—**Mr. Olaussen:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents between the government, or any agency or branch thereof and the Halifax local of the International Longshoremen's Association since January 1, 1973 relating to the Motor Vessel *Travetal.*

Motion agreed to.

CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND OWNERS OF MOTOR VESSEL "TRAVETAL"

Motion No. 233—**Mr. Olaussen:**

That an Order of the House do issue for a copy of all correspondence, telegrams and other documents between the government or any agency or branch thereof and the owners of the Motor Vessel *Travetal* since January 1, 1973, relating to the *Travetal.*

Motion agreed to.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 234 is acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND GOVERNMENT OF NOVA SCOTIA RELATING TO "TRAVETAL"

Motion No. 234—**Mr. Olaussen:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all

correspondence, telegrams and other documents between the government or any agency or branch thereof and the Government of the Province of Nova Scotia or any agency or branch thereof, since January 1, 1973 relating to the Motor Vessel *Travetal.*

Motion agreed to.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notices of motions Nos. 226 and 236.

COPIES OF REPORTS BY MCKINSEY CONSULTANTS LIMITED FOR AIR CANADA

Motion No. 226—**Mr. McKenzie:**

That an Order of the House do issue for copies of reports of all consultant work done by McKinsey Consultants Limited for Air Canada.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, these reports are considered privileged and should not be made public on the grounds that they relate to matters pertaining to the internal operation of the company. I would therefore ask the hon. member to withdraw his motion.

Mr. McKenzie: Transfer for debate.

Mr. Speaker: Transferred for debate.

JOHNSTON TERMINALS LTD.—COPY OF CORRESPONDENCE RELATING TO AWARDING OF CONTRACT

Motion No. 236—**Mr. Leggatt:**

That an Order of the House do issue for a copy of all correspondence, studies, memoranda, etc. relating to the awarding of the contract to Johnston Terminals Ltd., for the operation of cranes and warehousing on the Surrey-Fraser Docks between the Department of Transport and (a) Johnston Terminals Ltd. (b) the Fraser River Harbour Commission (c) any firms interested in the contract.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I move this motion on behalf of the hon. member for New Westminster.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there has been no correspondence, studies, memoranda, etc. between the Department of Transport and (a) Johnston Terminals Ltd.; (b) the Fraser River Harbour Commission and (c) any firms interested in the contract, and I would therefore ask that the motion be withdrawn.

Mr. Knowles (Winnipeg North Centre): If "nobody has written to nobody" I guess we had better drop it.

Order discharged and motion withdrawn.

Mr. Reid: Mr. Speaker, I ask that the other notices of motion be allowed to stand.

Some hon. Members: Agreed.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ENERGY

TAPS TANKER ROUTE—AMOUNT OF OIL TO BE SHIPPED TO CHERRY POINT REFINERY—POSSIBLE CANADIAN COMMITMENT OF SUPPLIES AS ALTERNATIVE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Acting Prime Minister. Inasmuch as the Acting Prime Minister now considers the TAPS line and the associated tanker system no longer simply hypothetical matters, can he tell the House what information this government has acquired from the government of the United States as to how much Alaskan oil in terms of barrels per day or barrels per week will be moved through the Straits of Juan de Fuca?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not have before me now the quantities, but I think it is relative to the position we have been establishing with the United States administration that it is only a very small proportion of the oil that will be moving from Alaska to the mainland United States. I have heard figures of around 10 per cent, so that if the tankers were to bypass Juan de Fuca, as we would like them to, it would not have any over-all effect of any significance for the project which could proceed without any damage or danger to the Canadian environment.

Mr. Stanfield: A supplementary question. What moves does the Secretary of State for External Affairs intend to take to get some firm information on this? I presume, since he is talking about only starting to fight, he intends to offer some unambiguous and possibly attractive alternatives to the Americans in this connection. In relation to supplies of crude for American refineries in the Puget Sound area, what is the Canadian government offering by way of firm guarantees with regard to deliveries of Canadian crude overland to those refineries as an alternative to them being supplied by sea through the Straits of Juan de Fuca? Has the government of Canada made a firm commitment and if so, for how much?

Mr. Sharp: Mr. Speaker, the answer is we have not yet done that. I think it would be logical that if we were to expect that this refinery is to be supplied from inland rather than from tankers entering the narrow waters of the Straits of Juan de Fuca, that we would have to enter into some agreements with the United States that would not expose that refinery to the possibility of being unable to operate.

SUGGESTED STUDY OF CANADIAN CAPABILITY TO SUPPLY CHERRY POINT REFINERY—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): A further supplementary. No commitment having been made, no such assurance having been given by the government of Canada clearly from what the Acting Prime Minister has just said, has the government of Canada ordered any special study on Canadian preparedness or capability of supplying American refineries in the Puget Sound area as an alternative to this oil coming in through the Straits of Juan de Fuca? Has any study been definitely commissioned to date?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it has been from the beginning the position of the Canadian government that the Cherry Point refinery can be and should be supplied from inland. We have done some studies, if that is what the Leader of the Opposition wants to call them. The Department of the Environment has been looking at this question very carefully and it is on the basis of the information that we have that I am saying the refinery can be and should be supplied from the interior.

POSSIBILITY OF SUPPLYING CHERRY POINT REFINERY FROM CANADIAN SOURCES—SUGGESTION CANADA MAKE UNITED STATES AWARE OF POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, as Secretary of the Interior Morton in his letter of May 11, 1972, to the Minister of Energy, Mines and Resources stated that the capacity of the Alaskan pipeline would be 2 million barrels per day and the amount entering Puget Sound would be only 190,000 barrels per day, or some 10 per cent, I want to ask the Acting Prime Minister if the government intends immediately to open up negotiations with the government of the United States, to ensure that this small amount of oil can be supplied by overland routes, so that we shall not endanger the ecology and the good relationships between our countries for the sake of a comparatively small amount of oil?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am happy to have the hon. member supporting the government's position, both on the dimensions of the problem and on the way in which we can avoid the possibility of serious damage to the environment. As I said to the Leader of the Opposition, since this is the position we are taking, of course we will have negotiations of this kind. Now that there is a possibility of the TAPS line being built, the negotiations will have to proceed.

Mr. Douglas: A supplementary question, Mr. Speaker. If this is the government's position, why has it not been communicated to the government of the United States? And, if it has not been communicated to the government of the United States, is it the intention of the Canadian government to communicate it to that government at an early date and also to make a public statement, so that the senators and congressmen of the United States will be aware of it, because it is apparent from the discussions which we held with them yesterday that some of them are of the opinion that their state department has not given them full information relating to communications between the two governments.

Mr. Sharp: Mr. Speaker, this has been the position we have taken with the United States government from the beginning. We have always insisted that the Cherry Point refinery, which is now being supplied from the interior, can be fully supplied in that way in the future. However, I say to my hon. friends opposite that if we want to negoti-

ate and be successful, we do not give away our cards at the beginning.

Mr. Hees: What cards? The Joker?

[*Translation*]

MEETING BETWEEN CANADIAN AND UNITED STATES PARLIAMENTARIANS IN WASHINGTON—REQUEST FOR REPORT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary question to the Secretary of State for External Affairs.

Since the meeting held yesterday in Washington between Canadian and American parliamentarians seems to have created more confusion than understanding, does the minister intend to report to the House on what exactly has been discussed in Washington and tell us what Canada's position will be in these circumstances?

[*English*]

Mr. Sharp: Mr. Speaker, of course I cannot answer for the group of parliamentarians who went to Washington. They went without instructions from the government and they will not report to us. They will report, presumably, to the members of parliament. But I am very happy, from what I hear from members on all sides, to learn that it was a most useful delegation. It promoted understanding between our two countries and that, of course, was its purpose.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Edmonton West on a supplementary. I appreciate that the hon. member for Grenville-Carleton also wishes to ask a supplementary. Perhaps we might complete the first round of questioning, and then return to supplementaries. However, before doing this I will recognize the hon. member for Edmonton West.

INQUIRY AS TO DISPOSITION OF CANADIAN OIL NOW GOING TO CHERRY POINT REFINERY

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question to the Secretary of State for External Affairs is this: As the Cherry Point Refinery complex is supplied essentially from western Canada by inland pipe line, has the government considered making representations to the United States as to the disposition of that particular quantity of oil that is now going there; or, does the government anticipate that the Canadian domestic market will absorb the equivalent quantity, or is the whole system to go down the drain?

● (1420)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think it ought to be one of the objectives of Canadian policy to retain that rich oil market in the northwestern United States for Canada.

Oral Questions

UNEMPLOYMENT INSURANCE

ATTACHMENT OF BANK ACCOUNTS TO OBTAIN REPAYMENT OF OVERPAYMENTS—REQUEST FOR REPORT FROM MINISTER

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. Has the minister had an opportunity to look into complaints about the attachment of bank accounts of people who have been overpaid unemployment insurance benefits and are in arrears? Has this happened once, several times, or is it a regular practice?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have been able to ascertain that this flows from the authority given the UIC under the act. However, I have suspended this approach until a total examination is possible. I am awaiting a thorough report on it. I can only confirm those two actions at this stage.

ALLEGATION INCOME TAX INFORMATION SUPPLIED TO COMMISSION

Mr. David Orlikow (Winnipeg North): Can the minister comment on the claims that arrangements have been worked out between his department and the Department of National Revenue whereby income tax information which is given to the Department of National Revenue is being made available to his department?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will have to take this question as notice. I will endeavour to obtain the information to see if I can advise the hon. member shortly.

[*Translation*]

ALLEGED GARNISHEEING OF SALARY TO COMPENSATE FOR OVERPAYMENT—MINISTER'S POSITION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, can the Minister of Manpower and Immigration inform the House whether it is usual for persons who once collected unemployment insurance benefits to have their salaries garnisheed by the commission as compensation for unemployment insurance overpayments?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, this authority is given to the Unemployment Insurance Commission under the act. In fact, the commission is required to collect overpayments. I can say there have been situations when third party attachments have been exercised, but generally speaking it is the instruction of the commission to negotiate with these people who have received overpayments in order to try to work out a reasonable program of repayment that does not embarrass them too much. However, there have been some occasions where garnishee orders have been issued.

Oral Questions

BENEFIT CONTROL—EFFECTIVENESS OF MEASURES IN VIEW OF SMALL DROP IN PAYMENTS—MINISTER'S POSITION

Mr. William C. Frank (Middlesex): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. In view of the fact that Unemployment Insurance Commission payments dropped to $179 million in May from $186 million a year earlier and this drop is only the second year-to-year decline in more than six years, is the minister satisfied this drop is sufficient considering the fact the commission has had an all-out program to rectify excessive deficits?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am satisfied that the measures we took to ensure those people receiving benefits were in fact entitled to them are working reasonably well. There are still some rough spots. This is a very complex matter. The reason payments remained at the level they did is related to the maturity of the plan; better information about the plan now exists in this country compared to a year ago. This could be a subject of considerable examination, perhaps in committee, at an early stage in order to get all the details placed before hon. members.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

INQUIRY RESPECTING AMOUNT OF MONEY ALLOCATED TO QUEBEC FOR 1973

Mr. Jean-Marie Boisvert (Drummond): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion.

Can the minister tell this House whether the amounts allocated to Quebec for economic expansion in 1973 are as large as in 1972?

Mr. Speaker: It seems to me that a question of that nature could be placed on the order paper. If the minister or someone who can answer for him has the information and can tell the House, of course, I can see no objection.

* * *

[*English*]

ENERGY

TAPS TANKER ROUTE—REASON FOR DELAY IN CANADIAN PROTEST

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the Secretary of State for External Affairs. In light of the minister's statements in the House yesterday and a few moments ago that the government has now decided to fight for the environmental rights of Canadians in British Columbia, can he inform the House when the government decided to wait until the United States Senate approved the TAPS line before starting this fight against TAPS and the Cherry Point terminal and whether this decision was made with the approval of the Prime Minister and the Cabinet?

[Mr. Andras.]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the government of Canada has been very vigorously opposing the movement of oil by tanker through the Straits of Juan de Fuca for a period of some two years. I, personally, have made many representations to the United States Secretary of State. What I said yesterday, I say again today: members on the other side of the House are taking a defeatist attitude toward this problem, but we are only beginning to fight.

Some hon. Members: Hear, hear!

Mr. Baker: Can the minister tell the House how he intends to carry out this fight against the movement of the oil through the narrow Straits of Juan de Fuca and, second, how the government intends to overcome the disadvantage which results from its reluctance to begin this fight earlier?

TAPS TANKER ROUTE—VISIT OF PARLIAMENTARIANS TO WASHINGTON FOR DISCUSSIONS—REQUEST FOR DAY TO DEBATE FINDINGS

Mr. G. W. Baldwin (Peace River): In view of the hon. gentleman's suggestion a little while ago that members of this House and the other place who were in Washington might wish to report on their visit, would the Acting Prime Minister discuss with the government House leader the setting aside of a day so that there may be a debate in this House and consideration of a report as to the information they acquired from the United States congressmen regarding the extent of the government's failure to do anything at the appropriate time?

Hon. Mitchell Sharp (Acting Prime Minister): I think it might be very useful. I have heard some of these reports about the talks that went on. I think it was a very useful exchange. A report which was full and not biased, as was the one given by the hon. member, might well be considered after the capital punishment bill has been approved, when I think we should set a day aside.

Some hon. Members: Hear, hear!

* * *

FOOD PRICES REVIEW BOARD

REQUEST FOR INSTRUCTIONS TO BOARD IN VIEW OF REPORT OF SPECIAL COMMITTEE—MINISTER'S POSITION

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is addressed to the Minister of Consumer and Corporate Affairs. In view of the fact that the second report of the special committee on trends in food prices which was tabled today underlines the need for the Food Prices Review Board to adhere to its terms of reference respecting investigations, monitoring prices and studying developments in other countries, and to refrain from setting itself up solely as an educational agency, would the minister advise the House whether he is prepared to issue specific instructions along these lines to the chairman of the board, Mrs. Plumptre?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): The Board which has been set up is independent of the government. I trust it will be as aware of its terms of reference as are members of this House.

Mr. Atkey: Has the minister issued any instructions to Mrs. Plumptre concerning a price and incomes freeze, a subject on which she has very decided views which may preclude her and the board from taking any objective action in the matter?

Mr. Gray: I have issued no such instructions. It would be inconsistent with the terms of reference of the board. However, I do recall her saying that the board would approach the subject with an open mind.

* * *

PENITENTIARIES

PRINCE ALBERT—REQUEST FOR COMMISSION OF INQUIRY IN VIEW OF FAILURE TO DISCOVER ESCAPE TUNNEL—ALLEGED SHORTAGE OF CUSTODIAL OFFICERS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct my question to the Solicitor General. In view of the peripatetic excursions of Harold Ballard, going in and out of penitentiaries at his pleasure, apparently, and the recent discovery that for seven months a tunnel was being constructed beneath the walls of the Prince Albert penitentiary from the outside without being suspected by the various penitentiary officials who have visited that institution, would the minister agree that consideration should now be given to the setting up of a commission to look into the penitentiary situation across the country?

Hon. Warren Allmand (Solicitor General): Yesterday the penitentiary authorities found that a tunnel was being dug by certain inmates in the Prince Albert minimum security prison—

Some hon. Members: Oh, oh!

Mr. Allmand: —from outside the walls of the Prince Albert maximum security institution. The two people involved were transferred to maximum security and an inquiry is continuing.

Mr. Fairweather: No OFY or LIP grant?

● (1430)

Mr. Allmand: I might say that there are several inquiries going on at the present. There is the committee set up by this House to look into conditions in penitentiaries and, as I said about a week ago, I hope it will visit the west to look into conditions there as well.

Mr. Diefenbaker: Mr. Speaker, the minister is slightly in error, because it was eight days ago that dogs looking for illicit liquor among the prisoners made the discovery of the 35-foot tunnel.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Under all the circumstances, I should like to ask the minister whether he would explain why it was that these various officials including the head of the department, who was in Prince Albert to look into the institution, had not been able to discover this very large tunnel, a fine architectural piece of work I am told, and why it is that in that institution the situation today is that there are 28 fewer custodial officers than there should be? Will he explain how this unusual occurrence took place, because in another month or so the prisoners could have walked out?

Mr. Speaker: Perhaps the minister might be allowed to reply.

Mr. Allmand: Mr. Speaker, in the report I have now there is no indication as to how the tunnel was found, but it was found. If it was found with the help of dogs, I think that is to the credit of the penitentiaries service.

Some hon. Members: Oh, oh!

Mr. Allmand: It is precisely for this reason we have dogs in our penitentiaries service.

Some hon. Members: Oh, oh!

Mr. Allmand: With respect to the charge made by the hon. member regarding certain custodial officers, I will have to check into that. I have no information whatsoever that there are 28 officers short, but I am surprised to hear it. I will check into it and report back to the House.

Mr. Speaker: The Chair will recognize the right hon. member on a supplementary and then the hon. member for Greenwood.

Mr. Diefenbaker: I would not like any "doggone" false information to go out, but those dogs were not in the penitentiary service.

Some hon. Members: Oh, oh!

[*Later:*]

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary to the question asked by the right hon. member for Prince Albert which I address to the Solicitor General. In view of the lush conditions existing in our penitentiaries as described by Mr. Harold Ballard, and as this appears to be the only institution in which you can get a steak dinner at a reasonable cost, would the Solicitor General ask those in his department who are investigating this tunnelling operation outside the Prince Albert institution to ascertain whether those who conducted it had in mind helping people to get out of the institution or to get in?

Some hon. Members: Oh, oh!

Oral Questions

EXTERNAL AFFAIRS

VIET NAM—ALLEGED DETENTION OF CIVILIAN PRISONERS—GOVERNMENT ACTION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs who announced yesterday that Canada proposes to set up an embassy in Saigon. What action, if any, is Canada taking in respect of well authenticated reports that the regime in question is detaining tens of thousands of political prisoners under inhuman conditions in contravention to the universal declaration of human rights?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, there can be no doubt about our attitude on human rights and about the opposition to the imprisonment of civil prisoners of this kind. I say to the hon. member that unless we do establish permanent diplomatic machinery in Saigon, and not have to depend upon the fact that we are a member of the International Control Commission, there will be no opportunity for us to enter into conversations with the government of Viet Nam on this question.

Mr. Brewin: Is the minister prepared to give an undertaking that if we do establish an embassy this question of the many thousands of political prisoners will in fact be one of its main concerns?

Mr. Sharp: Mr. Speaker, the main concern of any Canadian embassy abroad is to protect the interests of Canadians, but I can assure the hon. member that it will be paying attention to this question too.

Mr. Speaker: I will recognize the hon. member for York Simcoe and return to this matter shortly.

* * *

SPORTS

MONTREAL OLYMPICS; 1976—MEETING OF PROVISOS ENTERED BY CERTAIN PEOPLE IN QUEBEC BY PASSAGE OF BILL

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Acting Prime Minister. Would he tell the House whether his government has now received written assurances from the Prime Minister of Quebec, Mayor Drapeau and Commissioner Rousseau that the provisos set out in each of their letters tabled in this House February 2 have been met to each of their satisfactions upon passage of the Olympics bill which is now before us?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will have to take that question as notice. It seems to me to be a very complicated and precise question intended to elicit precise information. I will try to get it for the hon. member.

An hon. Member: Call in the dogs.

[*Later:*]

Mr. Sinclair Stevens (York Simcoe): Mr. Speaker, I should like to put my supplementary question to the President of the Treasury Board with whom I believe the Acting Prime Minister has been consulting. Would the minister indicate whether the government has received any written or oral assurances from the three I already referred to that the provisos in their earlier letters dated January 31 and February 1 have now been met, providing the summer Olympics bill is passed by this House?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, as the bill has not been passed we have no such formal assurances. However, I would undertake to get assurances from the letter writers that the provisos will have been met with the passage of the bill.

* * *

BROADCASTING

CABLEVISION—REASON FOR CHARGE OF VIOLATION OF BROADCASTING ACT AGAINST COMMUNICOMP DATA LTD.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Communications. In view of the statement of the minister when he filed his green paper and met with ministers of communication on November 26 to negotiate on the question of the jurisdiction over cablevision, would he please tell this House why he has authorized, or the CRTC has allowed a criminal information against Communicomp Data Ltd. on July 4 in respect of violations of the Broadcasting and Radio Acts, since this is open for negotiation?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, it is very simple. As long as the law remains unchanged, it must be respected. The CRTC believed that the Broadcasting Act had been violated, while the Department of Communications felt that the Radio Broadcasting Act had been violated. That was why we undertook civil proceedings, at the same time as those who held a franchise for the territory invaded, illegally in our opinion, by Communicomp.

[*English*]

CABLEVISION—SUGGEST COLLUSION IN CIVIL PROCEEDINGS AGAINST COMMUNICOMP DATA LTD.—POSSIBLE INTERVENTION OF MINISTER

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, in view of the strange coincidence of a criminal information being laid on July 4 and a civil proceeding being commenced on July 10, was there any collusion between the CRTC, the minister or the Department of Communications on the criminal aspects of this matter and the civil proceeding instituted by Keeble Cable Television Ltd.? Does the minister intend to intervene in the civil proceeding if the constitutionality of the Broadcasting Act is raised?

[*Translation*]

Hon. Gérard Pelletier (Minister of Communications): Mr. Speaker, as regards the hon. member's second and final questions, I would have to obtain the opinion of legal counsel before I could answer. As for the existence of collusion, there was none. Of course, everyone was aware

of what the other was doing, as these civil proceedings are public matters which no one hides from anybody.

* * *

[*English*]

EXTERNAL AFFAIRS

NUCLEAR TESTING IN ATMOSPHERE—POSSIBLE ACTION BY CANADA TO PREVENT

Mr. Harry Olaussen (Coast Chilcotin): Mr. Speaker, I should like to direct this question to the Secretary of State for External Affairs. What action does the government intend to take with regard to future atmospheric nuclear testing by France and other countries? Does the government intend to take any specific action that will be effective?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I only wish I knew the kind of action this parliament or this government could take that would end nuclear testing in the atmosphere. We do none of it and we have protested most strongly against China and France doing this testing. We hope that world opinion will convince them that it is not in the interests of humanity.

* * *

MANPOWER

ALLEGED SUBMISSION TO TREASURY BOARD FOR MONEY TO COMBINE LOCAL INITIATIVES AND OPPORTUNITIES FOR YOUTH PROGRAMS ON PERMANENT BASIS

Mr. Donald Munro (Esquimalt-Saanich): Mr. Speaker, I have some doubt as to whether this question should be addressed to the Minister of Manpower and Immigration or the Secretary of State, but I will try the Minister of Manpower and Immigration. Is the minister aware of the submission to the Treasury Board for $150 million, presumably from the contingency fund, to launch a combined LIP and OFY program an a permanent basis?

● (1440)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am certainly not aware of such a submission, and I would be if it existed. So I can assure the hon. member that no decision leading to that has yet been taken.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, if the decision is taken, I wonder if the minister would announce the program in the House and whether it would be his intention—

Mr. Speaker: Order, please. The hon. member will appreciate that a supplementary question asked in those terms is obviously hypothetical.

Oral Questions

IMMIGRATION

REQUEST YUGOSLAVIAN GYPSIES BE ALLOWED TO REMAIN IN CANADA—MINISTER'S POSITION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Will the minister respond positively on humanitarian grounds to the appeal of the United Nations Association and other groups of individuals in this country so that the 45 Yugoslavian gypsies may remain in Canada?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the case of the 45 or 47 gypsies, which has been the subject of some comment in the House, not all favourable, is now before the Immigration Appeal Board. I think it would be inappropriate for me to comment further until I get more information.

Mr. Fairweather: Does the government, which acted with magnanimity toward refugees from Hungary, Tibet and later Uganda, not recognize the similar humanitarian aspect in this case?

Mr. Speaker: Order, please. The hon. member's supplementary question is an argument.

* * *

[*Translation*]

CRIMINAL CODE

SUGGESTED AMENDMENTS RESPECTING CONTEMPT OF COURT AND ONUS OF PROOF—GOVERNMENT'S POSITION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I wish to put a question to the Solicitor General acting for the Minister of Justice.

In view of the increasingly frequent use of the exceptional procedure which contempt of court constitutes, does the minister intend to recommend, as the present Prime Minister, among others, suggested ten years ago, amendments to the penal code designed to limit recourse to this archaic procedure and transfer from the accused to the Crown the onus of proof?

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, that is an interesting proposal, and I will bring it to the attention of the Minister of Justice when he returns.

* * *

COMMONWEALTH CONFERENCE

SUGGESTION INVITATIONS TO PRIME MINISTERS OR MINISTERS SHOULD INCLUDE HUSBANDS OR ESCORTS AS WELL AS WIVES

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Acting Prime Minister, also in his capacity as Secretary of State for External Affairs. In view of the fact that the social program for the Commonwealth Prime Ministers Conference includes an invitation from the Prime Minister to Commonwealth

prime ministers and their wives to a weekend at Mont Tremblant and that a similar invitation is being extended to visiting ministers and their wives by the Secretary of State for External Affairs, would the minister take into consideration the fact that certain Commonwealth prime ministers are women, that certain cabinet ministers are women, and that invitations should include husbands or escorts as well as wives?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not think that that admonition could have come from a better source.

* * *

EXTERNAL AFFAIRS

AID TO AFRICAN COUNTRIES SUFFERING FROM DROUGHT—SUGGESTED INCREASE IN NUMBER OF PLANES SUPPLIED BY CANADA

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, in view of reports from the United Nations and from the Food and Agriculture Organization that 70 million people in Africa face the continued threat of death from thirst and starvation, and in view of the estimate that 50 planes are needed in July and August to distribute emergency supplies to these people, is Canada going to add to the several planes which, I understand, we have made available to help in this tragic situation?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not know that I can answer this question at the moment. We were the first with planes on the site, and, if I may say this, if other countries were to respond as we did, then there would be the required number. I cannot really answer the question. It may be that we may even step up the present effort.

Mrs. MacInnis (Vancouver Kingsway): May I ask the minister whether in addition to the three planes, I believe, which we are making available out of the 50 needed we are doing anything else to help those 70 million people?

Mr. Sharp: Yes, Mr. Speaker, we are providing something like $7 million worth of food and we are also engaged in some projects to try to help settle the problem permanently and not just temporarily.

* * *

IMMIGRATION

DISCOVERY OF LEPROSY AMONG RECENT IMMIGRANTS—REQUEST FOR NEW MEDICAL REGULATIONS

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Having regard to the report that over 70 cases of leprosy have been discovered among recent immigrants to Canada in the last several months, have any new medical directives or regulations been issued to ensure that this does not happen in the future and, if not, why not?

[Miss MacDonald (Kingston and the Islands).]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I have a very hazy knowledge of this matter which was brought to my attention only the other day and I have asked for a full report. Of course, it would involve the operations of the department under the jurisdiction of my colleague, the Minister of National Heath and Welfare. I can only say that we are aware of this and are looking into it.

YUGOSLAVIAN GYPSIES—POSSIBLE GRANTING OF WORK PERMITS PENDING HEARING OF APPEALS

Mr. Harold T. Herbert (Vaudreuil): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration. Will the gypsies be granted work permits while the investigation is pending?

Hon. Robert K. Andras (Minister of Manpower and Immigration): As is the standard practice, these cases are before the Appeal Board. If it is proven that they require work permits, then permits will be granted. On that subject, it is interesting to note the compassionate view of the hon. member for Fundy-Royal which is in direct contrast to the admonitions and scoldings from opposition members I received a month or so ago, as well as questions as to why I was not exceeding my authority by issuing deportation orders for these people in the light of certain allegations of crimes which they were supposed to have committed at that time.

* * *

ENERGY

TAPS TANKER ROUTE—ESTABLISHMENT OF JOINT UNITED STATES-CANADA GROUP TO STUDY POSSIBLE ENVIRONMENTAL DAMAGE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Secretary of State for External Affairs who said yesterday that he and the secretary of state of the United States were discussing the possibility of setting up a group to look into the problem of damage to the environment. Could the Secretary of State for External Affairs tell the House what would be the relationship of this group to the group the Prime Minister said on February 16 had been established for that purpose also?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, when I spoke to the U.S. secretary of state it was many, many months ago when we first raised this question with the United States. Subsequently, there were discussions between the Minister of the Environment and his counterpart in the United States. A group was established at that time to inquire into the environmental problems related to the movement of tankers through the Straits of Juan de Fuca.

Perhaps I should also say to the Leader of the Opposition that the matter of the movement of supertankers from Alaska down through the Straits of Juan de Fuca is not the only environmental risk. At present there are tankers moving into those narrow straits carrying oil and we do not feel that there are adequate measures taken as yet

between Canada and the United States to deal with even the present risk. So altogether apart from what may happen to supertankers coming down from Alaska we have a problem at which we are looking.

Mr. Stanfield: If the Secretary of State for External Affairs now says that the group has already been established and is at work, why did the Secretary of State for External Affairs say in the House yesterday that the U.S. secretary of state had spoken to him about the possibility of setting up the group to look at this problem? What impression was the Secretary of State for External Affairs trying to give?

Mr. Sharp: The Secretary of State for External Affairs was trying to remove the impression that had been created by the opposition that we had suddenly awakened to the problem.

* * *

FINANCE

REQUEST FOR CHANGE IN MONETARY POLICY TO ASSURE ADEQUATE FUNDS FOR HOUSING AT REASONABLE INTEREST RATE

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, in the absence of the Minister of Finance I should like to direct my question to the Acting Prime Minister. In view of statements by certain financial institutions that the supply of funds for home mortgages is beginning to dwindle and will soon dampen the housing market, is the government considering making changes in the present monetary policies of the Bank of Canada and meeting with chartered banks to assure that adequate funds for housing are made available at moderate interest rates?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I cannot answer this question for the Minister of Finance, except to say that he has been meeting with the governor of the Bank of Canada on a regular basis and from time to time has had discussions with chartered banks. I do not think anyone has been more diligent on behalf of the needs of the Canadian community.

Mr. Baldwin: And less successful.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Athabasca. There are only two or three minutes left before the end of the question period and perhaps we should have as few supplementary questions as possible.

● (1450)

Mr. Yewchuk: In view of the fact that 9.75 per cent of 10 per cent mortgage interest rates have resulted from government policies, is it the position of the minister that such mortgage interest rates are in the over-all interest of the economy, and that restricted funds for housing are appropriate at this time?

Mr. Sharp: Mr. Speaker, all I would point out is that we are having a record volume of housing starts in 1973, which seems to indicate that at least we have a fairly adequate volume of mortgage funds.

* * *

HARBOURS

CHURCHILL—INQUIRY AS TO NEED FOR FURTHER STUDIES

Mr. Keith Taylor (Churchill): Mr. Speaker, I wish to direct a question to the Acting Prime Minister. It arises out of the announcement by the government concerning the port of Churchill. In view of the urgent need for development of the port of Churchill, and in view of the recommendations of the National Harbours Board and of a committee of this House, would he advise why the government considers it necessary to have further studies undertaken at this time?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will refer this question to the appropriate minister.

* * *

INQUIRY OF THE MINISTRY

Mr. John Harney (Scarborough West): Mr. Speaker, in view of the fact that Ambassador Michel Gauvin is to continue his career in Greece is it the intention of the Secretary of State for External Affairs to instruct the ambassador to continue his openmouth policy in that country?

Some hon. Members: Oh, oh!

* * *

LABOUR RELATIONS

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES AND CP AIR MACHINISTS—REQUEST FOR PROGRESS REPORT ON SETTLEMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to ask the Minister of Labour if he is able to report any progress in the new talks between the railways and the non-operating unions, and perhaps you might permit me to ask him what progress has been made to bring about a settlement in the dispute between the machinists and CP Air?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, with regard to the CP Air dispute we have advised the parties that mediation services are available. We hope they take advantage of them.

With regard to the railway dispute, I am advised that Mr. Kelly is meeting with the parties now.

Oral Questions

CANADA DEVELOPMENT CORPORATION

PROPOSED PURCHASE OF TEXAS GULF STOCK—POSSIBLE CHANGE IN POLICY OF CORPORATION—REQUEST FOR STATEMENT BY MINISTER

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I wish to direct a question to the Acting Prime Minister. In view of the reported purchase of stock in Texas Gulf by the so-called Canada Development Corporation, would the Acting Prime Minister inform the House if this purchase indicates a change in policy by the corporation, moving away from what we felt was its intended purpose of increasing Canadian participation on our own economy?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, perhaps I might answer this question on behalf of the Acting Prime Minister. I think this proposed purchase does not indicate a change in policy, and is quite in line with the statement of objectives announced for the corporation by Mr. Benson in 1971, when he said the acquisition policy should "emphasize areas involving the development and application of new technology, those which involve the exploitation and utilization of Canadian natural resources, those which have special relevance to the development of the north—"

Mr. Speaker: Order. I wonder if the minister might want to return to motions to make this statement. We are reaching the end of the question period. The Chair will recognize the hon. member for Scarborough East on a supplementary, then the hon. member for Winnipeg South Centre, and will have to call orders of the day thereafter.

Mr. Stackhouse: Mr. Speaker, in light of the direction you gave the minister with respect to returning to motions, would he agree to make a statement on motions, when this matter might be more fully discussed by the House?

Mr. Drury: I will look at that to see whether a statement on motions is needed, Mr. Speaker.

* * *

HOUSING

SUGGESTED REVISION OF BUILDING CODE TO IMPROVE STANDARDS FOR RESIDENTIAL CONSTRUCTION—NEED FOR PROPER INSPECTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in the absence of the Minister of State for Urban Affairs I would like to direct my question to his parliamentary secretary. In light of the fact that many new homeowners across Canada are experiencing such problems as roofs and shingles blowing off, chimneys and walls collapsing, and basement walls and floors cracking, would the minister consider revising the national building code to improve standards for residential construction? Also would he investigate whether the CMHC and builders are carrying out proper inspections?

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I will bring the hon. member's question to the attention of the minister. If he would like to bring to my attention or to the minister's attention the particular cases he is referring to, we will make sure that CMHC takes a look at them.

[Mr. Munro (Hamilton East).]

Mr. Coates: Mr. Speaker, I rise on a question of privilege and I will not take up much of the time of the House. I am not quite certain to whom I should direct this question, and so I shall direct it to you, Sir, and perhaps you can give me some guidance. It relates to the protective staff in this House, for whom I believe all hon. members have a great deal of respect. It has to do with their uniforms. For some time it has caused me a great deal of concern to see people associated with this excellent service wearing what I consider to be a rather out-dated type of uniform in the hot, humid weather of Ottawa during the summer months. Whoever is responsible for determining the decorum of this service should find a way to ensure that the members of the protective staff have a sensible type of uniform for the humid weather.

Some hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*Translation*]

OLYMPIC (1976) BILL

PROVISION FOR ISSUING OF COMMEMORATIVE COINS AND STAMPS AND HOLDING OF LOTTERY

Hon. C. M. Drury (President of the Privy Council) moved that Bill C-196, respecting the 1976 Olympic Games, as amended, be concurred in.

Motion agreed to.

[*English*]

Mr. Speaker: When shall the bill be read the third time? Now, by leave?

Some hon. Members: Agreed.

Mr. Drury moved that the bill be read the third time and do pass.

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

Mr. Arnold Peters (Timiskaming): Mr. Speaker, this bill was given considerable attention in committee, both by members of the standing committee and by other interested members of the House. As an observer at the committee meetings, I am of the opinion that a great disservice will be done to the Canadian people by passing this legislation.

I am not at all sure of the ramifications of the lottery or of the postage issues. I am inclined to believe the public will show considerable interest in buying postage stamps, costing an additional two cents, for mail to be sent from the Olympic site during the Olympic games in 1976. However, I view with great reluctance the provision in the bill with regard to coinage.

It is proposed that a major part of the financing of the games be undertaken by issuing a new type of coinage in denominations of $5 and $10. These will be packaged in a number of ways. There will be proof sets, souvenir package sets and sets containing all the additional silver coin denominations. The market for coinage and commemorative monetary tokens have grown over the years, particularly during the last ten years, to the extent that many organizations use the minting of coinage and medallions to assist in financing their operations. This has been particularly true in Canada since 1967 when most cities across this country put out a medallion—which may or may not have contained silver—to commemorate, in effect, a particular event in their area. There is no question that this market has grown and in Canada we now have two or three mints producing medallions.

● (1500)

It is also true, Mr. Speaker, that in the minting of coinage Canada has been able to expand its operation to a considerable degree. Only a few years ago we were asking the United States government to mint our ten-cent coins because we did not have the capacity to do so. I am pleased to see that the Mint has been expanded and has achieved a degree of expertise in the development of coinage so that we are now producing silver and metal currency for 20 countries. This is a credit to the Canadian Mint and to our ability to meet the growing need for currency.

With regard to developing coins in Canada, I am told that since confederation we have minted in total $317 million. Mr. Speaker, $317 million in silver currency is not a very large amount, but it has been sufficient to meet our needs for the past 100 years. Now we are being asked by Mayor Drapeau and by COJO to allow the minting of approximately $450 million of new currency. This is not a medallion but a piece of currency that can be used in trade by Canadians, that is legal tender and can be used in financial transactions within our country. It is, in fact, the issuing of more coinage currency than we have used in this country for the past 100 years.

Mr. Speaker, for hundreds of years medallions have been issued to commemorate the holding of the Olympic games. Only relatively recently countries have asked for the production of tenderable currency that could be used for the promotion of the Olympic games. In Canada in the past ten years, we have experienced with the development of commemorative coins and these have received considerable support from the public and Canadian coin collectors. A limited number have been bought by coin dealers in other countries as well.

It is interesting to note that little has been said about the fact that most countries prohibit the importation of another country's coinage. It is interesting to note, too, that in 1967, when for the first time in many years we included in our centennial sets a $20 gold piece, this coin could not legally be purchased even by numismatic organizations in the United States. The United States had laws that prevented its importation, therefore, coin dealers in that country were prohibited from buying our centennial sets containing the $20 gold piece.

Mr. Speaker, during the year that we celebrated our one hundredth birthday we had as large a market as we have ever had for coin sets produced in Canada. During that period we produced and sold to the buying public in Canada and across the world slightly less than three million commemorative coins. This involved the $1 coin, the coin sets that ranged from a penny to $1 and the special presentation sets. The latter included the coin in which I am very proud to have played a considerable role leading to its production by persuading, over the years, three different finance ministers to allow it to be minted. I refer to the $20 gold coin that became the highlight of the coinage presentation sets put out in 1967.

In 1967, Mr. Speaker, we sold slightly less than three million sets. Now we are being asked by COJO to put out in stages legal tender to the extent of 65 million coins. To me this means that unless everybody in this country decides to keep coinage there will not be the number of collections that will dispose of 65 millions pieces. In effect, this would mean, if we were to sell the currency within this country, that every man, woman and child would end up with at least $20 worth of commemorative coinage to make up the $450 million issued. Mr. Speaker, I suggest that many people in this country have little interest in carrying around $5 or $10 silver pieces. Anyone who has studied this situation is aware that there is no possibility of our putting out $450 million worth of commemorative coinage and having it bought by collectors. If that is so, Mr. Speaker, how do we expect to dispose of it?

I listened to the President of the Treasury Board (Mr. Drury) indicate that consideration had been given to methods of disposing of the coinage. We are aware that in this bill we are establishing an account for the Olympics committee that will allow the minting of this coinage in batches, starting in 1974, and that this account will be debited and credited, as the case may be, for the coinage that is bought. This is almost the system that was used in Germany. In the heat of national pride, the West German government decided to mint and print a very large commemorative issue. Most of this issue was handled through the German banks. Mr. Speaker, almost 50 per cent of that coinage is still sitting in the banks that bought it for national reasons, and they are now asking the government to buy it back.

It costs approximately 30 cents to make a $5 or $10 silver coin. These are not necessarily what they call proof sets, but are proof-like coinage. As I understand it, a proof set is struck with special dyes and is struck for a second time to give it a very clear image. The coinage we are speaking about will not be proof coinage but will be proof-like. It will be in a container. What will happen? Pressure will be applied in Montreal, where they are not above blackmailing the people of Canada, the federal government and even their own people. I am sure that at the height of their enthusiasm the authorities there will exhort the companies, various offices and entities such as our national banks to buy, buy, buy and, hopefully, dispose of the coins at a later date.

● (1510)

Mr. Drury: Mr. Speaker, I regret to interrupt the hon. member. I am not sure whether my point is a question of privilege. I do not think the hon. gentleman really wishes to accuse the National Assembly or the council of the city of Montreal of engaging in blackmail.

Mr. Peters: Mr. Speaker, they have blackmailed us a number of times. I can think of two instances. The mayor of Montreal blackmailed us in the matter of the War Measures Act, and he blackmailed us into the centennial celebrations for which this parliament picked up much of the tab. Nobody objected particularly. Perhaps I should not use the word "blackmail" but I leave that connotation. I define blackmail as the use of strong methods to persuade people, perhaps for many good reasons, to do things they do not want to do. They do those things because they fear the consequences of not doing them.

I would not be surprised if the workers in Montreal go home with coinage in their pay packets as part payment for their work. They can take the coins out of the plastic wrapper and use them, or take them to the banks and get dollar bills for them. This will happen: it will have to happen, for the Olympic committee wants to raise something like $200 million. I suggest that the government will be less than honest with the country if it does not retain control of the minting of the coinage. The coinage should be sold and should not be dealt with as if one is operating a concession. It should be pruchased.

In 1967 the Mint struck centennial coinage. You sent in your order with the money, the Mint accepted the order and filled it later. It limited the number of coins which could be issued to one individual. Each package of coins had a face value of $1.91 but was sold for $3. Obviously, if too many packages were sold they would lose their value as collectors' pieces, so sales were retricted. The collector paid $3 for coins with a face value of $1.91, and the seigniorage on each sale was approximately $1.09. That nice profit accrued to the Canadian Mint. The Mint was reaslistic in issuing those coins. If you are asking $3 for $1.91 worth of coins, the coins must be collectors' items. If they are not collectors' items worth more than the face value of the coins, why would anybody be idiot enough to pay $3 for $1.91 worth of coins?

An hon. Member: A Liberal might be.

Mr. Peters: The Liberals might do that. They seem to have adopted Social Credit ideas in this particular piece of legislation, because they are almost going to make money out of thin air. Obviously, if the Mint had said that it would issue more than so many sets of proof-like coin, each package of coins would have been worth $1.91 and not $3. Therefore, only by making such coins scarce could they be valuable as collectors' items.

That will not happen with the Olympic coins. We are talking about putting out coins that will be worth just about what you pay for them. Presumably, you could take them to the grocery store and spend them. As well, we are prepared under this program to put out more coinage than we have put out in our history as a nation, and we will do this in a period of two years.

The Americans steal our coins and melt them down. They make a profit on our coins because a number of them are made of silver. I remember when the little five-cent piece was worth more than ten cents on the silver market. Melted down, it was 90 per cent pure silver which was worth more than ten cents on the silver market. The Americans have been melting down our coins during the last six months. We have put out debased coinage to prevent a considerable capital loss occurring to this country through the carrying away and melting down of our silver coins.

Apparently it will cost $2 to produce a $5 coin. The seigniorage on that sale will be about $3, less the 30 cents cost involved in the manufacture of each coin. Therefore, the seigniorage on each coin will be greater than the basic cost of the coin. One might call that the basic value. If silver does what gold has done in the last year, the advantage in the long run will accrue to the government. On the other hand, it may accrue to the collectors, or even to the United States government which seems to be smarter in this field than we are.

Why do I say that? If silver prices double, it may be more advantageous to melt down our new coins and turn them into silver bullion. Of course, I am speculating. The fact is that if we are putting out this amount of currency, the minting of it should be under the control of the government, of the Minister of Finance. It should not be under the control of an agency which will not sell the coins as currency but as medallions, and will receive about $3 profit per coin. The agencies will sell these coins regardless of the disruption in our system of coinage that may result.

● (1520)

I believe we were pushed into the Olympics. I am opposed to cities having any say about the Olympics in this day and age. We are not city states; we are nations. I have some knowledge of how the Olympics began. The cities of Carthage, Athens and Sparta competed against each other. Some of my colleagues may remember it, but I have no personal knowledge. These were city states. We no longer have city states. It is not to anyone's advantage to allow cities to hold the Olympics. Montreal is not alone; there are also the cases of Denver, Vancouver and Munich.

It is a fact that once the Olympics are awarded, they do not belong to the particular city but to the country. There is an obligation on the country to be responsible for them. Canada should be the most of the Olympics, not the city of Montreal. Representatives from Montreal see millions and millions of dollars being spent on a two-week show. That money should be spent on the development of parks, housing and sewage disposal. I question the priorities of some of the representatives of the city of Montreal.

Be that as it may, it is a fact that young people in every community from coast to coast are deprived of training facilities to prepare them to compete in international athletic competitions. They do not have a decent rink, pool, stadium or track. They do not have the elementary facilities for basic training which a nation as well off as Canada should expect of every community in this country. If we have this kind of money to spend, we should ensure that all communities have the facilities to develop amateur athletes.

We do not have an Olympic-size pool in northern Ontario. I remember a young fellow from Matheson. He learned to swim in the Black River, which is not very large. He did not have any professional training. He came third in at least two major events at the Canadian National Exhibition. Some of the best athletes in North America

competed in those events. He came from an earea which was not able to provide proper training facilities.

The town of Schumacher received the gift of a skating rink with artificial ice from McIntyre Mines long before most other communities had such a facility. We were able to train people like Barbara Ann Scott who went on to become the world figure skating champion. Most other figure skaters in North America trained in Schumacher, near Timmins: it was the only Olympic-size rink with full facilities which operated during the summer. We can expect great things from ordinary communities in Canada if we provide the basic requirements. If this government has the kind of money that is needed to provide a two-week international show, surely it should be able to help some of these communities.

I think the Olympics is all very nice; I sincerely believe that. However, I believe it will be a black mark against Canada if the people who compete in the Olympics are not provided with accommodation and the necessary facilities. This government should not have been tricked by Mr. Drapeau and Mr. Bourassa.

We should not have been tricked by the Prime Minister (Mr. Trudeau) who, in his overzealous assessment of the results of the last election, made it very clear that if the Olympics were to be held in Canada the taxpayers would not have to pay for it. We will have to pay for the Olympics. The Prime Minister will not be here, because the cost will not be known until 1978. Some of us will still be here. We will have to raise the money from the taxpayers to pay the debt incurred by the Olympics. I suggest it would be more honest for us to participate in the Olympics as a government. We should decide what the Olympics are to cost and put up the money.

It is unfortunate we do not have any say about where the Olympic events will be held. Some events should be held in Quebec City and Three Rivers. Kingston will be used to some extent. I do not think Ottawa and Toronto are too far away. Some of the events could be held in northern Quebec and northern Ontario. However, that could only come about if we were part of COJO, and we are not. I suggest that in the end we will have to put up the money.

Of all the hair-brained schemes Mayor Drapeau has dreamed up in the past, this one of selling the amount of currency he anticipates is probably the most unrealistic. If this were a medallion, I would not care.

Mr. Stevens: I wonder if the hon. member would permit a question.

Mr. Peters: Yes, Mr. Speaker.

Mr. Stevens: Will the hon. member explain whether he is in fact speaking for his party, or was the hon. member for Fraser Valley West (Mr. Rose) speaking for his party on February 2 when he said:

—my party welcomes the statement by the Prime Minister (Mr. Trudeau) today in which he took some trouble to outline the parameters of federal involvement in Canada's first Olympic games. We wish our first Olympic games every possible success as a potentially great moment in the history of our nation.

—my party approves the concept of the issuing of special coins and stamps.

Mr. Peters: Mr. Speaker, I see little contradiction in those remarks.

Some hon. Members: Oh, oh!

Mr. Peters: The hon. member who asked the question should be able to answer it better than I can. A number of years ago he appeared before the same committee asking for a charter for a bank. Obviously he knows something about the banking industry. What I am objecting to is the fact that we are going to issue more currency in a two-year period than we have in the whole history of this nation. That is wrong. It is not possible nor feasible. It is certainly not the way to finance the Olympics. If this were a medallion, I would be in favour of Montreal, COJO or anyone else issuing as many as they want.

● (1530)

I have never questioned the right of the city of Cobalt to put out silver medallions every time they can find some occasion to justify doing so. Those medallions are worth as much in silver as the price at which they are sold, so no one can lose on that kind of proposition. But I maintain it is irresponsible to put out this quantity of currency and expect there will be no repercussions on our monetary system. In the second place, it is a hell of a way to finance a national event.

I welcomed the statement by the Prime Minister that no money was to be spent by Ottawa on the Olympics. To be frank, I did not think the Olympics would go ahead in Montreal. I did not think the people of Montreal would tolerate the levels of expenditure which were contemplated. Now, two years before the event is to take place, with the arrangements well under way, I find myself unable to credit the Prime Minister's statement that we are not going to pay. I think we are. I think the Quebec provincial government is going to pay, too, though I do not know how much, and I do not know how. I feel we are being offered an impossible proposition, and that if carried to fruition it will be a disaster for our currency. I believe it is not a proper way to finance the operation.

If we are determined to put our currency in the form of collectors' items, the Mint must control its issue and make all decisions as to the quantity involved, and so on, as has been the case whenever commemorative coins have been minted in the past. Unless this is done, we shall be acting irresponsibly. For these reasons, I move:

That Bill C-196 be not now read a third time but be read this day six months hence.

My motion is seconded by the hon. member for Broadview (Mr. Gilbert).

Mr. Rose: On a question of privilege, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The hon. member for Fraser Valley West (Mr. Rose) on a question of privilege.

Mr. Jelinek: On a point of order.

Mr. Rose: A question of privilege takes precedence over a point of order, as the hon. member should know. That is why the Speaker recognized me. My name was taken in vain by the hon. member for York-Simcoe (Mr. Stevens)

in connection with a position I took in February on the subject before us. In my speech of June 28—

Some hon. Members: Order.

The Acting Speaker (Mr. Laniel): Order. If the hon. member wishes to clarify a speech he made at another stage of this bill, he can do so by taking part in the debate. I do not think the point he is raising can be considered to be a question of privilege. He has to show that his privilege as a member of parliament has been affected.

Some hon. Members: No privilege.

Mr. Rose: On the same question of privilege, Mr. Speaker—

Mr. Paproski: There is no question of privilege.

Mr. Rose: I think I should have an opportunity to put forward my question of privilege. I am saying that the hon. member for York-Simcoe made an assertion about me—

Some hon. Members: Order.

The Acting Speaker (Mr. Laniel): Order. Apparently the hon. member is alone in believing he has a question of privilege. Neither his colleagues nor the Chair can accept what he is saying as being a question of privilege. He is just making an argument which he can advance on a later occasion.

Mr. MacEachen: On a point of order, Mr. Speaker, I have had some consultation with the House leaders of the other parties and, based on their agreement, I am proposing that we revert to motions at four o'clock or thereabouts to allow the Acting Prime Minister an opportunity to make a statement. This would be followed, possibly, by comments from the leaders of the other parties.

The Acting Speaker (Mr. Laniel): Hon. members have heard the suggestion put forward by the President of Privy Council (Mr. MacEachen). Is it agreed that we revert to motions at four o'clock?

Some hon. Members: Agreed.

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, it is with both amusement and amazement that I have heard yet another side of the story today from an NDP spokesman on this issue of the Olympics bill. However, we must bear in mind the rapid changes in position made by the NDP from time to time. I should like to reiterate what my hon. friend from York-Simcoe (Mr. Stevens) said. On February 2, in this House, a spokesman for the NDP stated—and I quote from *Hansard*, page 899:

> We wish our first Olympic games every possible success as a potential great moment in the history of our nation.

He went on to say:

> My party approves the concept of the issuing of special coins and stamps.

Yet on second reading the same party went on record as being totally opposed to the holding of the Olympic games in Canada in 1976. Fortunately, the people of Canada have become accustomed to these tactics on the part of the NDP, and their action in this regard did not surprise many of them. What is surprising is that while the Conservative Party, through its spokesmen, proposed that a ceiling be set on the amount which should be made available for the financing of the games through methods requiring federal participation, the NDP opposed such a ceiling and felt there should be no limit to the funds thus provided. This could only have the effect of discrediting any further comments which members of that party might wish to make concerning the bill before us.

Before commenting directly on Bill C-196 I should like to refer briefly to the background of the legislation before us. Seldom has a piece of legislation been presented with such apparent carelessness and lack of precision. The Prime Minister (Mr. Trudeau) offered no explanation for the lengthy delay in bringing the legislation before the House. This needless delay has caused hardship not only on those who will ultimately be responsible for organizing the games and for financing the games, but has caused confusion in the minds of Canadians as to just what the method of financing will be. No attempt has ever been made by the Prime Minister or by any minister of this government to explain the benefits that will accrue from the Olympics to Canada and to Canadians. In fact, Mr. Speaker, at no time has the Prime Minister ever expressed his support for the Olympics. Among other things, had there been time the opportunity could have been seized to decentralize the games and utilize existing facilities right across this country. In this manner, the final outlay would have been a fraction of the present costs and the entire country would have been much more directly involved.

● (1540)

At second reading, the Progressive Conservative Party supported in principle Bill C-196 but we could not have accepted the bill without much-needed amendments to safeguard the Canadian taxpayer and to offer guidelines in spending. Consequently, when this bill was presented to committee, sufficient amendments were insisted upon by this party and subsequently incorporated into the bill. Even throughout the committee proceedings, however, there was little effort made on behalf of the government or its spokemen to clarify the confusing issues contained in this bill. It became increasingly apparent that the government itself and the ministers responsible had spent little time in trying to understand the ramifications of this bill in terms of financing, and had little more knowledge that many Canadians who were toally confused as to the entire Olympic structure.

The Treasury Board forecast a deficit of $172 million. This deficit was never disputed. All we ever had presented to us were letters from the province of Quebec, the city of Montreal and COJO that the Canadian taxpayer would not be asked to pick up any deficit. The Premier of Quebec has guaranteed $25 million to Montreal to assist in offsetting any deficit which might occur. This would leave $150 million, based on Treasury Board estimates, that would have to be picked up elsewhere. How this deficit would ever be looked after has never been fully explained, except for the government to say that it would not be foisted upon the Canadian taxpayer.

On behalf of the Progressive Conservative Party I would like to make clear the fact that this party will not

accept any further financial obligation than is outlined in this bill. The Olympic committee has pledged to this House that financing will be undertaken by them with the authority of this bill and they will not approach the federal government for any additional funds. As far as this party is concerned, we shall honour this commitment to the Canadian taxpayer. It was realized, however, that the study used the market distribution structure of the Munich games as its basis. The fact that Germany issued 90 per cent of its coins within its own boundaries, and the fact that only 25 per cent of the coins are to be issued on the Canadian market, could account for such a deficit prediction.

At the committee stage there was no evidence of any market research conducted into the coin and stamp proposals that would substantiate the government's proposed deficit.

The Postmaster General (Mr. Ouellet) maintained that production would be regulated by market demand. In light of the lack of a market study, this appears to be a somewhat short-sighted reply or statement to the basis of the majority of the proposals which would supply the key financing for the Olympics. The original market distribution of coins announced by COJO was 35 per cent European and foreign, 25 per cent Canadian and 40 per cent United States. These figures, Mr. Speaker, if realized would account for COJO attaining its budget aims.

The proposed Post Office marketing board under the Postmaster General continues to be authorized to administer the promotion, distribution and merchandising of Olympic coins both within and outside of Canada. I sincerely trust, along with many Canadians, that the Post Office will be better able to distribute the coins than it has been able to distribute the mails.

To demonstrate some of the confusion and contradiction by the government on relevant issues of this bill one need only examine the proposal for a premium on the coins. The idea of a 10 per cent premium on the coins was first mentioned in committee by the Postmaster General. Later the same day the President of the Treasury Board (Mr. Drury) disputed this statement by saying that no premium was to be charged. These conflicting statements by two senior government members continue to illustrate that from the outset the government has been totally confused, ill-informed and ill-prepared in its dealings with the entire Olympic matter. We have once again, through the existence of an amendment, assured the Canadian taxpayer that no Olympic coins will be sold at less that face value.

The only people within the federal government who seem to have any knowledge whatsoever of what is taking place are the employees of the federal Mint who, I understand, had geared up for production of the coins even prior to second reading of this bill in the House. If the Prime Minister felt that passage of the bill was assured in its initial form, and on the strength of this he instructed the Mint to proceed with preparations of the coins, I can assure the hon. gentleman that he was most definitely mistaken, for without the amendments presently incorporated in this bill he would have had no such support from this House in so far as financing through the minting of these special coins is concerned.

The most effective way to assure sufficient sales is to adhere to the policy of limited mintage; in other words, a production and distribution ceiling. By promoting limited mintage the coin sales could be regulated and monitored to ensure that the market is available. The value of the coins would also be increased if limited mintage were practised. For example, the 1948 dollar, of which only 18,000 were minted, is now worth approximately $240.

In order to ensure that the Olympic organizing committee would receive its maximum expected revenue, our party took strong steps to add amendments to the bill which would place a $450 million production ceiling on the value of the coins issued. This was opposed by the NDP. This is more than enough to allow for a $260 million revenue to be obtained by COJO to satisfy their budget. To prevent a federal deficit which could result from overpayment, we initiated a $260 million revenue ceiling on moneys going to the Olympic organizing committee; $250 million from the sale of coins and $10 million from the sale of stamps.

The most important omission from the bill was the provision for an audit and general report to parliament. How this was omitted when Bill C-196 was first proposed is completely beyond any understanding. It continues to reflect the Prime Minister's attitude of not caring about this bill, save saying to the people of Quebec that he approved the legislation giving them authority to have their games. At the same time, he has offered no safeguards to the rest of Canada or to the taxpayer in general. The Progressive Conservative Party feels that safeguards are necessary and these safeguards must be explained to all Canadians so they will fully understand just how the Olympic financing is structured and how it will affect them.

The amendment insisted upon by this party is to allow for a biennial report from both the Postmaster General as well as the Minister of Finance, allowing parliament to retain strict control over its financial responsibilities to COJO. From these reports we will be able to gauge the market expectations for the coins and stamps and align production accordingly. Without such reports, as outlined in the initial bill, the Postmaster General would have had no real basis for calculation, nor could he ever expect to have had any basis for calculation. The same amendment provides the opportunity to bring this bill back into committee for any needed adjustments if and when necessary, this dependent upon the signature of 60 members requesting such action.

In addition, Mr. Speaker, of prime concern to this party was the likelihood that the coins would circulate, and had this in fact happened there were no contingency plans for the possible redemption of these coins. Therefore, we have now proposed an amendment, which has been accepted, to the legislation to control the circulation of this currency by giving the Minister of Finance the right to redeem coins at face value if, in his opinion, the amount of these coins in circulation would be detrimental to Canadian currency. The cost of redeeming the coins, minus the value of the silver content, will then be charged back to the Olympic account.

It was also feared, Mr. Speaker, that at some point in time these coins, being legal Canadian currency, would be

re-sold at less that face value. In order to ensure that the organizing committee and the federal government were not hindered in realizing their full expectations, the Progressive Conservative Party proposed an amendment to disallow the sale of these coins below face value. In this manner both parties should receive maximum value from the sale of each coin.

● (1550)

There is yet another point. The manufacture, distribution and sale of postal-related products could have had a damaging effect on the Canadian arts and crafts business, as these products were not adequately defined and the decision was left to the Postmaster General. There can be no question that the four year period from 1973 to 1976, inclusive, can provide an economic boom for Canadian crsftsmen from the sale of Olympic commemorative items to the tourist trade. If the postal-related products are not clearly defined, it can put the government in direct competition with private individuals who do not have the low overhead costs and the public funds of the Post Office Department. We strongly suggested that the bill be amended so as to discontinue this practice and to clearly define postal-related products. This has been done and the bill has been amended to cover this discrepancy.

We acknowledge that within the Canadian Olympic structure Montreal applied to become the host city for the 1976 games, and that it was a Canadian decision to nominate Montreal as the representative Canadian city for consideration as the host of the 1976 Olympics. The award went to Montreal on behalf of Canada, so let us not make any mistake or have any misunderstanding, some of which may have arisen because of the secretive way in which the Prime Minister has handled this matter from the outset. Had the Prime Minister been forthright in this respect to both the House and the Canadian people at the outset, this last minute panic, confusion and uncertainty would never have arisen.

In conclusion I reiterate, however, that we do not support the method in which this bill was presented to the House. The inexcusable delay in introducing this legislation serves only to illustrate the inaction and ineptness of the government. It is unfortunate that an event such as the 1976 Olympics, which can have such long-term advantages for the youth of Canada, the youth of the world and Canadians in general, should have been subjected to the secretive confusion surrounding the entire event. Nor will we relent in our questioning regarding the financing of the housing in the Olympic village where CMHC will be so heavily involved. To date, answers to questions regarding CMHC have been far from conclusive, have been far too general in scope and leave far too many questions unanswered in the minds of the members of this party.

Also, we should ensure that sufficient security is provided so that we do not have to concern ourselves with a repetition of the unfortunate incident at Munich. This matter also has been treated with vagueness and indifference by the Prime Minister and has resulted in questions being raised in the minds of of many Canadians as to what security in fact will be provided and at what cost to the Canadian taxpayers.

[Mr. Jelinek.]

We shall continue our investigation into what appears to be a $25 million grant to the CBC to act as host televiser for the Olympic games. Unanswered questions in this area include, among others, why the CTV has continually offered its resources in the area of television and has not been asked to participate, thus greatly reducing the expenses of the CBC and ultimately the taxpayer. It is a known fact that CTV operates at a fraction of the cost of the CBC and provides a similar quality of coverage and commentary.

While the present administration has taken this matter lightly and has burdened private industry with its own responsibility, our party does not intend to sit idly by without closely scrutinizing the entire operation. It is with these amendments to the bill and with the points which I have mentioned in mind that the Progressive Conservative Party gives its support to Bill C-196 in its present form.

The Acting Speaker (Mr. Laniel): Order, please. When the hon. member for Timiskaming (Mr. Peters) completed his speech the Chair did not realize that the hon. member had moved an amendment to the motion for third reading of the bill, so before proceeding further at this time, and having checked the transcript, the chair would invite the hon. member to again put the amendment to the House.

Mr. Peters: I move:

That Bill C-196 be not now read a third time but be read this day six months hence.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in line with what my colleague has just stated concerning Bill C-196, I would like to trace the rather strange history of the financing of the summer 1976 Olympics in particular relation to the debate that has ebbed and flowed in this House and the questions that have been asked for many years. I should like, also, to outline the inconsistency between the statements that have been made from time to time, in particular by the Prime Minister (Mr. Trudeau), concerning the fact that no special financing arrangements were going to be made to finance the Montreal Olympics.

In short, I suggest that when this is all put together and we see the bill that has been produced and is now being given third reading, and when we consider the evidence that was given before the standing committee, we can only presume that the Prime Minister has either been extremely naïve on this entire matter, or that he has not been naïve but, rather, has been most deceptive with the House and with the public of Canada. Possibly, he has simply not understood the officials who reported to him, or else the officials have not understood the matter sufficiently in their proposals with respect to the financing of the 1976 summer Olympics.

I see it is almost four o'clock, Mr. Speaker. I wonder if I would have the consent of the House to call it four o'clock.

Some hon. Members: Four o'clock.

Mr. Speaker: Does the President of the Privy Council (Mr. MacEachen) propose to adjourn the debate?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I would move that the present debate be adjourned.

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

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

THE LATE RIGHT HON. LOUIS ST. LAURENT

TRIBUTES TO FORMER PRIME MINISTER

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is with profound sorrow that we have learned of the death of the Right Hon. Louis St. Laurent. Canada has lost a great Canadian, but his work lives on and his name will always be associated with qualities that are respected and admired throughout the country.

The Right Hon. Louis St. Laurent, as a person, as a public servant and as a statesman, long ago won a permanent place in the affection and esteem of Canadians. His unfailing sense of courtesy and respect for others gave to him a quality of courtliness and kindliness which are encountered all too rarely today.

Mr. St. Laurent had a profound faith in Canada. He was motivated by a deep sense of public duty and believed there could be no greater honour than to serve one's country. He entered public life primarily to foster Canadian harmony. His contribution to the better understanding of Canada by Canadians was immense, and everywhere he became the symbol of tolerance and unity. His 16 years of public service were fruitful years for this country, domestically and internationally.

● (1600)

His legacy to Canada permeates Canadian life. As Minister of Justice, Secretary of State for External Affairs, and Prime Minister he played a leading role in the social, constitutional and judicial development of this country. He was, to use a phrase he once applied to others, an enlightened patriot. Canada is a better place because he lived among us.

I know that all Canadians join with me in expressing sympathy to Mr. St. Laurent's family.

[*Translation*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the province of Quebec and our country as a whole have lost a most distinguished citizen. His name was a symbol of the very strength of Quebec. As a Canadian citizen, father, lawyer and statesman, his life was an example of courage, determination and integrity. He was a great Quebecer, a great French-Canadian, in short, a great Canadian.

Passing of Right Hon. Louis St. Laurent

[*English*]

Mr. St. Laurent achieved great respect in his profession as a member of the bar. His name was highly respected. When Mr. King called upon him to enter the government of Canada as minister of justice during the war, in the service of his country, Mr. St. Laurent was a great unifying force for Canada. He was a minister of extraordinary capacity and resourcefulness, as I was frequently told by one of his former distinguished colleagues, the Right Hon. J. L. Ilsley.

It was not my privilege to serve with Mr. St. Laurent in the House of Commons. I observed him at a distance as a formidable, able party leader, a man who obviously inspired great public confidence. He was held in great respect throughout this country by those who served with him politically as well as by those who opposed him politically. He was regarded as a non-partisan leader. Although one may have differed with Mr. St. Laurent in opinion, one never questioned his sincerity or his intention to further the interests of his fellow citizens. He was regarded with great affection throughout this land.

I share the sorrow of the House in paying my respects at this time to the late Mr. St. Laurent, and I wish to extend my sympathy and the sympathy of the members of my party in this House to the members of his family.

Mr. David Lewis (York South): Mr. Speaker, the death of any person, humble or great, is always a cause for sympathetic sorrow on the part of anyone with any sensitivity. But I think it is perhaps appropriate to say that one need not feel sorrow at the passing of the Right Hon. Louis St. Laurent. Life is not eternal. It has to come to an end. And when it comes to an end at the age of 91 for a man who has given so much to society, and has won for himself so great a name in the history of his country, one can feel great joy in having been privileged to live in the same country with such a person.

I did not serve in parliament during Mr. St. Laurent's term in the various offices he held, but I did have the pleasure of meeting him on a number of occasions and of knowing him.

[*Translation*]

I learnt that he was a very gentle, courteous and civilized man, Mr. Speaker, a man whose heart was one with that of the people of Canada. He understood the difficulties this country faces and with all his heart he wished for a united Canada. He was not only a politician, but the leader of a nation. He was not only the leader of his party, but the leader of the people of Canada as a whole.

[*English*]

Because he was such a person he won the respect of every Canadian. The great fact about a democratic system such as ours is that people differing in their politics or social philosophies have respect one for another.

On behalf of my colleagues and myself, I pay tribute to a man who won, and deserved, the respect of Canadians from coast to coast, who gave of himself unstintingly in the cause of Canadian unity and Canada's future. I join others in sending our sympathy to his family, in the knowledge that this man deserved to live and that Canada is the better for the fact that he lived so long and so well.

Passing of Right Hon. Louis St. Laurent

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, my colleagues and I are deeply moved by the sudden death of an illustrious son of Canada, and particularly of French Canada.

I had the good fortune to know the right hon. Louis St-Laurent when he was Minister of Justice and Secretary of State for External Affairs. I was a member of Parliament when he became Prime Minister, replacing the right hon. William Lyon Mackenzie King.

Often, in the evenings, when we were leaving Parliament, it happened that I left by the main door at the same time as Mr. and Mrs. St-Laurent. Having known him at a time when I was a relatively young member, I must say that I saw Mr. St-Laurent somewhat as a good Canadian family man, affable and not at all haughty. Everyone could talk to him. He was a true Canadian in the widest sense of the term, and I will never forget the role he played in keeping the various regions of Canada together.

Someone stated earlier that he was a great Quebeker, a great French-Canadian and a great Canadian, but I am sure that he was above all a true Canadian, a great French-Canadian, a man who was attached to his province, of course, but never to the detriment of anyone.

That is why, Mr. Speaker, we are so moved by his sudden death. May I, on behalf of my colleagues and myself, offer our most sincere condolences to Mr. St-Laurent's family.

● (1610)

[*English*]

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I speak with a heavy heart this afternoon. I knew Louis St-Laurent as a friend from the days when he was president of the Canadian Bar Association, one of the most distinguished lawyers of our country. I was a member of the council of the bar in those days, and the impression that he left with me in the early 1930s, when I got to know him well, has never been effaced with the passing years.

As has been said, he came into the House of Commons, I think it was in 1942. He had a call to come here to do his part to bring about a unity within this nation which at that time was deeply challenged. He gave up a tremendous law practice. I remember the first day that he spoke in this House as minister of justice. It was a lawyer's speech; it was a speech representing the epitome of the service that he was to render his country.

It is strange how our paths have crossed during the years. When he was minister of justice, I was opposition critic. He talked very freely with me at all times. I shall never forget the degree to which—I have spoken of this before—he made me the confidante of many of the things that he intended to do. Those things will not be written by me but they will always be a memory of one for whom I had not only respect but affection.

He became secretary of state for external affairs, and in large measure it was his concept that brought about the establishment of the North Atlantic Treaty Organization. He became prime minister. Later, I became leader of the opposition in 1956, and the first message of good wishes that I received was from Louis St. Laurent.

Later I became Prime Minister and leader of Her Majesty's Loyal Opposition. I think of him not only as the great lawyer that he was but as a devoted servant of the Crown, for it was his invitation that brought about the visit of Her Majesty the Queen and the opening of parliament by the monarch for the first time in our history. He understood the meaning of justice and of equity. While reared in the province of Quebec with a knowledge of the Code, he had an abiding admiration for the common law.

It is difficult for me to speak of him in an impersonal sense. On occasion he would touch the heights in debate in this House. He and I were the last surviving members of Her Majesty's Imperial Privy Council in Canada. I do not speak of him with that admiration that I possess only now that he is gone. He knew it: he knew how I felt while he lived, and I never forgot his birthday, which was something that he very much appreciated.

A great Canadian in this place made his contribution to a united Canada, his life devoted to the establishment of one Canada, one nation, while at the same time maintaining, and rightly so, the traditional constitutional rights of his paternal ancestry. It is hard to speak of him as freely as I would like. He gave of his best and he loved his country. He never quite understood, despite his years at the bar, the clash of debate in the House of Commons. He represented the concept that, I am not ashamed to say in that I followed it through the years, realized that this institution is a place in which, as the hon. member for York South (Mr. Lewis) said, we may disagree but we build up tremendous respect and regard for those who sit opposite.

I join in the expressions of deep mourning at his passing at a very advanced age, and in the sympathy extended to the members of his family. I couple with that my deepest appreciation that I was privileged to sit in this House for 15 years while he sat opposite. He loved Canada, he lived for Canada and his memory will be forever honoured in our country.

[*Translation*]

Mr. Gérard Duquet (Québec East): Mr. Speaker, one will understand that being member for Quebec East and succeeding Mr. St-Laurent who had represented this constituency for 15 years, I wish to join my humble voice to that of the previous speakers and pay tribute to a great man who has just disappeared, the right hon. Louis St-Laurent.

I knew Louis St-Laurent quite well. For 15 years, I was not only closely involved in his political activities in the riding of Quebec East, but I had many opportunities of holding most interesting conversations with him. What always impressed me about this former Prime Minister of Canada is the dignity and composure of his conversations that made him so interesting as well as engaging.

In 1965, when it was a matter for me of being a candidate in the riding of Quebec East, I recall that the first person whom I visited and asked for advice was the right hon. Louis St-Laurent. And I still remember his words: Duquet, you have been in politics long enough and acquired a lot of experience; if you really want to be a candidate and become a federal member of Parliament in Ottawa, the only advice I can give you is to do it with the

same dignity as I myself tried to fulfill my mandate, always in a spirit of truth and in the specific purpose of trying to serve your fellow citizens.

Mr. Speaker, with such advice coming from such a man, it has been easy for me, for eight years, to fulfill my mandate and succeed the Right Hon. Louis St. Laurent in the riding of Quebec East. The people of this constituency have maintained a sort of veneration for this great man and I am convinced that in the riding of Quebec East people are now crying because of the announcement of the death of Mr. St. Laurent, even though, due to his old age, we had to expect that.

Therefore, Mr. Speaker, I would like to pay tribute, like previous speakers, to Mr. Louis St. Laurent. To my mind, his death will leave quite a gap, not only in Canada, in this House and in the province of Quebec but everywhere he has been; it will stir deep emotion in all those who have known him; that is why I wanted to make a few modest remarks.

On behalf of the people of the riding of Quebec East, which I represent and which he so worthily represented from 1942 to 1957, I offer to the House of Commons, to the St. Laurent family, my very deepest and most sincere condolences.

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, with consent, I would like to join all my colleagues and express my sorrow at the news of the passing away of the Right Hon. Louis St. Laurent, as well as the pride I take in having learned much from him. He always struck me, as well in his behaviour as in his speech, as the very incarnation of the most noble values that distinguish the statesman.

For us, who endeavour to better serve our fellow citizens, we could find no better example of generosity, devotion to duty, wisdom and credibility.

In the story of his life, Canadians, the young ones in particular, will read whole chapters that will stir in them new faith in public men.

To the family of the illustrious deceased, I offer my heartfelt condolences.

[*English*]

Mr. MacEachen: Mr. Speaker, as a mark of our respect for the Right Hon. Louis St. Laurent, I move the adjournment of the House for the remainder of this day.

Mr. Diefenbaker: Mr. Speaker, may I suggest, if it is agreeable to the Acting Prime Minister (Mr. Sharp), that Your Honour convey to the family of the Right Hon. Louis St. Laurent the deepest sympathies of this House.

Mr. Speaker: It will, of course, be the duty of the Chair to convey these messages to the family of the Right Hon. Louis St.Laurent.

It is moved by Mr. MacEachen, seconded by Mr. Stanfield, that this House do now adjourn. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

On the motion of Mr. MacEachen the House adjourned at 4.26 p.m.

HOUSE OF COMMONS

Thursday, July 26, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

LABOUR RELATIONS

SUGGESTED PERSONAL INTERVENTION OF MINISTER IN DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, pursuant to Standing Order 43, I rise on a matter requiring immediate consideration. In light of the fact that the conciliation report on the rail strike was received on July 13, and that the three-man board could not reach common ground, at that this strike is now in fact taking place, with potentially serious national consequences, I therefore move, seconded by the hon. member for Fundy-Royal (Mr. Fairweather):

That in the opinion of this House the Minister of Labour (Mr. Munro) should now personally intervene to end this dispute.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member's motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: There is no unanimity and the motion cannot be put.

* * *

HOUSE OF COMMONS

SUPPLYING OF SUMMER UNIFORMS TO PROTECTIVE STAFF—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I rise pursuant to Standing Order 43 to ask leave of the House to move, seconded by the hon. member for Fundy-Royal (Mr. Fairweather):

That this House goes on record as believing action should be taken that will provide to the uniformed members of the protective staff of parliament, uniforms of appropriate summer weight and design that will allow these employees the utmost comfort in the carrying out of their responsibilities.

Mr. Speaker: At this point I have to advise the hon. member that he may place the Chair in a very difficult position. I think I owe it to the House to advise the hon. member that members of the protective staff are already supplied with uniforms of this type, that is with summer weight uniforms. In the circumstances, I would think the hon. member might not wish to embarrass the Chair and the staff of the House in the way the motion would have to be put. I am sure that all hon. members wish that our staff, including I am sure, members at the table, work in the best possible conditions.

Mr. Coates: Mr. Speaker, I would just like to reply to that suggestion. Yesterday, I indicated to the Chair that I was not quite certain just how arrangements were made for supplying uniforms to the protective staff. I must go on record as saying that, even if some people involved in the problem of supplying uniforms to the staff feel that is a summer weight uniform, there are more appropriate summer weight uniforms. Just look at the armed service personnel in this country. They certainly try to maintain a decorum that is appropriate and look much more comfortable than these men.

* * *

AIR TRANSPORT

CRASH OF BEECHCRAFT 18 AT WINNIPEG—SUGGESTED RE-OPENING OF INVESTIGATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, pursuant to Standing Order 43, I should like to move a motion relating to the fact that on June 24, 1972, a Beechcraft 18 aircraft crashed at Winnipeg, Manitoba, killing eight Indian school children and the pilot. The Department of Transport report of February 23, 1973, listed the cause of the crash as loss of engine power and the failure of the pilot to respond effectively to the situation. However, new evidence has come—

Mr. Speaker: Order, please. The hon. member is entirely out of order when he makes a speech in support of his motion, I have to remind the hon. member, and all hon. members, that motions under Standing Order 43 are in a special category in that they do not provide for the possibility of a response to allegations which are submitted to the House in support of such motions. Hon. members are asked, and have been asked in the past, to indicate what the motion is, without argument and without a long recital of facts.

• (1410)

Mr. McKenzie: Mr. Speaker, I will come directly to my motion under Standing Order 43, which is as follows:

That the Department of Transport immediately re-open the investigation of the crash in light of the new evidence about the

competence of the pilot, and that this report be tabled in the House of Commons.

In the absence of the Minister of Transport, I presented this new evidence to the Acting Prime Minister.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Winnipeg South Centre under the terms of Standing Order 43. It requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

ORAL QUESTION PERIOD

[*English*]

LABOUR RELATIONS

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—UNION ASSURANCE OF MOVEMENT OF GRAIN IN EVENT OF STRIKE—GOVERNMENT ACTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question to the Minister of Labour arises out of his assurances that everything possible will be done to prevent disruption in the movement of grain and also from the evident interruption in the movement of grain which will come about in the next 48 hours. What proposals or arrangements to guarantee the movement of grain were prepared by the government, were such arrangements conveyed to the parties concerned by the government mediator, and what new action is the government now taking to prevent further disruption in the movement of grain?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, as the Leader of the Opposition knows, the unions concerned in this dispute have given every assurance that they are going to co-operate to the maximum extent to move the grain. I think they should be commended for this. We expect the companies to co-operate to the fullest extent possible. I think this is the most constructive solution we can imagine to ensure that grain is moved adequately.

Mr. Stanfield: A supplementary question, Mr. Speaker. Is the minister satisfied that the action taken by the unions will not interfere with the movement of grain at the Lakehead? Is the minister satisfied with this?

Mr. Munro (Hamilton East): Mr. Speaker, there may be some dislocation in terms of precise timing, but I am optimistic that the grain will move, and I remain optimistic.

[Mr. McKenzie.]

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—GOVERNMENT CONTINGENCY PLAN TO KEEP GRAIN MOVING IN EVENT OF STRIKE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct a further supplementary question to the Acting Prime Minister. In light of the assurance given by the Prime Minister on July 16 that the government had prepared and was prepared to use a contingency plan to guarantee the movement of Canadian grain to world markets, can the Acting Prime Minister tell the House if the government is prepared to introduce any such plan in the event that the movement of grain is halted at the Lakehead?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think we should all be interested in the settlement of this dispute. I listened to what the Minister of Labour said about the assurance given by the trade unions. For the time being, I certainly would rely upon that.

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—LAYING-OFF OF WORKERS BY COMPANIES—GOVERNMENT ACTION TO PREVENT

Mr. David Lewis (York South): Mr. Speaker, I want to ask the Minister of Labour whether he is aware that the two major railway companies, CN and CP, have laid off thousands of workers not on strike and not in Ontario, and that the companies are suggesting that when the 48-hour strike is over in Ontario not all these striking employees will be re-employed. As such action by the railway companies is bound to create a general strike on the railways, instead of the limited strike that the union now proposes, is the minister prepared to tell the heads of the railways that they should stop acting in this provocative way?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am prepared to discuss with the railways any possible means that can be adopted in order to cause as little dislocation as possible.

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—SUGGESTED INTERVENTION BY MINISTER

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Labour. In view of the fact the minister's assistant deputy, Mr. Kelly, failed in his most recent attempt to bring the two parties back together, as evidenced by the walk-out in Ontario today, does he now intend to exercise his responsibility under the law and and personally intervene with a view to bringing these two parties back together?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am not prepared to agree with the premise of the hon. member's question that Mr. Kelly's efforts have failed because of the temporary walk-out identified by the hon. member. As far as I am concerned, I have already intervened to some extent with the parties and I am prepared to intervene a great deal more if it will assist.

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—SUGGESTION GOVERNMENT PRESENT NEW PROPOSALS TO UNION FOR NEGOTIATION

Mr. James A. McGrath (St. John's East): In view of the fact the rotating strikes have already started and this could result in a lockout by the railways, thereby tying up the whole national transportation system, will the Acting Prime Minister advise whether the government has met or is prepared to meet with the railways with a view to placing new proposals before the union as a basis for future negotiations?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the procedures being followed by the Minister of Labour are most likely to produce results, for the time being at least.

[*Translation*]

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—POSSIBLE RECOURSE TO LEGISLATION—MINISTER'S POSITION

Mr. Speaker: Does the hon. member for Drummond wish to ask a supplementary question?

Mr. Jean-Marie Boisvert (Drummond): Yes, Mr. Speaker. Still concerning the railway conflict, would the minister intend by any chance to resort to special legislation to end the railway conflict?

[*English*]

Hon. John C. Munro (Minister of Labour): Mr. Speaker, inasmuch as this party and the government are committed to the principle of free collective bargaining, and I take it most opposition parties are also,—

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): —I sincerely hope that type of action will not be necessary.

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—CO-OPERATION OF COMPANIES WITH UNIONS IN MOVING GRAIN IN EVENT OF STRIKE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, has the Minister of Labour or the Minister of Transport discussed with the railway companies methods by which they could co-operate in implementing the desire of the union that grain shipments be not interfered with by the rotating strikes that are taking place? Have actual plans been worked out between the companies and the union with government assistance in order to keep the grain moving?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am sure various studies have been made by the Wheat Board and departments concerned on this matter. However, in terms of specifics, I believe the minister who is directly responsible will be back in the House soon. Perhaps the hon. member could ask his question at that time.

Mr. Speaker: The Chair will recognize the hon. member for Hamilton Mountain on a supplementary, try to complete the first round of questions and return to this question in a short while.

Oral Questions

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—GOVERNMENT ACTION TO SETTLE WITHOUT LEGISLATION

Mr. Duncan M. Beattie (Hamilton Mountain): In light of the fact it would be in the best interest of all parties concerned if the dispute could be settled without legislation, can the Minister of Labour outline to the House what action the government is prepared to take at this time to facilitate the settlement of this dispute before it becomes necessary to legislate the men back to work?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I believe I have already answered that question.

* * *

CANADA DEVELOPMENT CORPORATION

PURPOSE OF OFFER TO PURCHASE SHARES IN TEXAS GULF—POSSIBLE APPEARANCE OF PRESIDENT OF CORPORATION BEFORE COMMITTEE

Mr. David Lewis (York South): Mr. Speaker, my question is for the President of the Treasury Board who yesterday seemed to reply to questions concerning the Canada Development Corporation. Can the minister briefly inform the House the purpose of CDC offering to purchase 10 million shares of Texas Gulf, an act which may be very useful to Canada if it is part of a policy framework to buy back parts of Canada for Canadians?

Hon. C. M. Drury (President of the Treasury Board): As I indicated yesterday, Mr. Speaker, this is directly in line with the stated objective of CDC to acquire a significant interest in Canadian resource industries.

● (1420)

Mr. Lewis: In view of the fact that this is a most significant action by the CDC involving a very large outlay of $290 million, and since the CDC found it necessary to offer a price considerably higher than the market price at the time, may I ask the President of the Treasury Board whether he would agree to refer the matter of the action taken by the CDC with regard to Texas Gulf to the appropriate parliamentary committee so that the president may appear and explain the theory, policies and framework within which this action was taken.

Mr. Drury: I am not sure that now would be the appropriate time to do as the hon. member suggests at this stage of our parliamentary proceedings, but I am quite sure that in the ordinary course of events officials of the CDC will appear before the appropriate parliamentary committee.

Some hon. Members: Read the Act!

PROPOSED PURCHASE OF SHARES IN TEXAS GULF—CONSULTATION WITH GOVERNMENT

Mr. David Lewis (York South): Even though I appreciate that the CDC is, by the decision—a bad decision in my view—of the government—

Some hon. Members: Parliament!

Mr. Lewis: —of parliament, if you like; a parliament which the government at one time controlled—even though the CDC is an independent corporation, I should like to ask the minister whether the officials of CDC consulted with him or, to his knowledge, with any other member of the government, or any officials of the relevant departments, before it decided to make this offer to Texas Gulf?

Hon. C. M. Drury (President of the Treasury Board): It is my understanding that the offer being made to Texas Gulf, or to the shareholders of Texas Gulf—

Mr. Bell: To the American ones, not the Canadian ones.

Mr. Drury: —was consequent on a decision by the board. The board includes as ex officio members respresenting the government as shareholders, the deputy ministers of finance and of industry, trade and commerce.

PROPOSED PURCHASE OF SHARES IN TEXAS GULF—LIABILITY FOR EXPENDITURES OUTSIDE CANADA

Mr. G. W. Baldwin (Peace River): Can the hon. gentleman tell the House whether he has had any discussions at all with officials of CDC regarding the assets and liabilities of this large multinational corporation and, in particular, whether in fact the multinational character of Texas Gulf would involve the CDC in the expenditure of taxpayers' money in countries outside Canada, including Australia?

Hon. C. M. Drury (President of the Treasury Board): When one talks about the expenditure of taxpayers' money I think it is in the sense of expenditure of either earnings or capital,—

Mr. Baldwin: How about the $300 million?

Mr. Drury: —and control of this is in the hands of the board, as in the case of other independent Crown corporations.

[*Translation*]

PROPOSED PURCHASE OF SHARES IN TEXAS GULF—DISCUSSION WITH DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to ask a supplementary question of the hon. President of the Treasury Board. Can he tell this House if the Canada Development Corporation has consulted the Department of Regional Economic Expansion before taking this decision, and does he intend to suggest that the CDC regularly consult the Department of Regional Economic Expansion so that the funds available be used for the development of Canada's resources for Canadians?

[*English*]

Hon. C. M. Drury (President of the Treasury Board): I am quite sure the officials and directors of CDC do maintain liaison with the Department of Regional Economic Expansion.

ENERGY

TAPS TANKER ROUTE—SUGGESTED ASSURANCE TO UNITED STATES CHERRY POINT REFINERY CAN BE SUPPLIED FROM CANADIAN SOURCES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the Acting Prime Minister. In the light of a statement made yesterday concerning studies which show that Cherry Point Refinery can and should be supplied from inland, can the Acting Prime Minister tell the House why the energy adviser at the Canadian embassy in Washington has consistently dismissed suggestions that Canada can guarantee increased oil deliveries to Washington over the inland route?

Hon. Mitchell Sharp (Acting Prime Minister): I cannot speak for the oil adviser to the government in Washington. I do not know whether that is what he said or not.

Mr. Munro (Esquimalt-Saanich): In that case, Mr. Speaker, could the Acting Prime Minister take a positive course and assure the House that the government will now supply the embassy in Washington, for transmission to both the executive and legislative branches of the United States government, with all studies of Canada's capability of supplying the Cherry Point refinery with inland oil, and that these studies will also be tabled in the House here in Ottawa?

Mr. Sharp: Mr. Speaker, as I said yesterday, now that it appears as if the TAPS line is going to be built, it becomes necessary, if we are to carry out our undertaking to do everything possible to protect the inner waters of the Strait of Juan de Fuca, that we should be having negotiations of this kind. I do now say to the hon. member, as I said yesterday to hon. members, that these will be the negotiations and, therefore, I do not think I would want to reveal all the cards that we are holding at this time.

TAPS TANKER ROUTE—REQUEST FOR ACTION TO PREVENT OIL SHIPMENTS ENTERING STRAIT OF JUAN DE FUCA

Mr. Donald W. Munro (Esquimalt-Saanich): May I ask one further supplementary? Will the Acting Prime Minister assure the House that every device will be used, including reference to the IJC, to prevent oil shipments entering the Strait of Juan de Fuca being increased?

Hon. Mitchell Sharp (Acting Prime Minister): I think the House has perhaps forgotten that this was a suggestion made by the Canadian government. In June, 1972 a unanimous resolution was approved by this House of Commons endorsing the government's view. This was rejected by the United States.

TAPS TANKER ROUTE—ASSURANCE OF CANADIAN SOURCE OF SUPPLY FOR CHERRY POINT REFINERY AS ALTERNATIVE—REQUEST FOR TABLING OF CORRESPONDENCE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the

Acting Prime Minister. Has the Canadian government at any time transmitted to the United States government our willingness to make some arrangements to supply Cherry Point with Canadian crude in return for an assurance that large tankers will not enter the Strait of Juan de Fuca and, if so, by which minister in the Canadian government was such as offer communicated to the United States?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it was communicated to the United States government on several occasions that this was a possibility open in the event that the TAPS line was approved. As I have said on several occasions, we are not opposed to the TAPS line as such across Alaska and the transportation of oil down to California. All our submissions to the United States government have been on the undesirable effects of big tankers moving into the Strait of Juan de Fuca.

Mr. Douglas: Mr. Speaker, in view of the minister's statement that this information has been conveyed to the United States government on a number of occasions, would he be prepared to have the correspondence tabled, from whatever minister made this offer to the U.S. government, so we will have an opportunity to see what the nature of that communication was?

Mr. Sharp: Mr. Speaker, I did not say that we had made any offers of that kind in writing, and I think it would have been most undesirable to have done so at that time. What I did say was that this was a possibility we had discussed generally with the United States. I think I should also say to the hon. member that the United States has resisted all of these proposals we have made in the past simply because the administration was absolutely committeed to proceeding with the TAPS line and did not want any studies or discussions going on that might have thrown any doubt upon it. That is the truth.

TAPS TANKER ROUTE—JOINT UNITED STATES-CANADA GROUP TO STUDY ENVIRONMENTAL DAMAGE—REQUEST FOR PROGRESS REPORT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Acting Prime Minister with reference to the group which he said yesterday had been set up sometime ago, and which the day before yesterday he indicated was about to be set up, to examine the environmental difficulties and recommend measures to offset these. How long has this group actually been at work and when may we expect some word as to what it is up to?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, after the government of the United States turned down the Canadian proposal that this question should be referred to the IJC, my colleague, the Minister of the Environment, and Mr. Train got together to discuss this question. They have had a number of discussions which have dealt with oil spill emergency arrangements, means for improving navigation conditions, possible joint scientific studies of the inner waters and questions relating to legal liability and compensation. These talks have been going on continuously since that time.

Mr. Speaker: Order, please. If the hon. member for Vancouver South will allow the Chair, perhaps I should recognize the hon. member for Richmond first, following which we will return to this subject by way of the hon. member for Vancouver South.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

ALLEGED GARNISHEE OF SALARY TO COMPENSATE OVERPAYMENT—REQUEST FOR EXPLANATION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to direct a question to the Minister of Manpower and Immigration.

In view of the fact that the unemployment insurance offices in charge of getting reimbursement of amounts paid in excess to former beneficiaries of unemployment insurance, and that several formerly unemployed persons are having their salaries garnished merely on the strength of civil servants' findings, can the minister tell the House whether this corresponds with the instructions of his department or the government?

● (1430)

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as I have indicated in answer to similar questions, the Unemployment Insurance Commission is required by law to do its best to collect overpayments from benefit recipients. Its present policy is to negotiate this with recipients to make an arrangement that is not overly onerous in attempting to repay it, but it is required by law to seek reimbursement of overpayments when those have been made.

[*Translation*]

ALLEGED GARNISHEE OF SALARY TO COMPENSATE FOR OVERPAYMENT—REQUEST GOVERNMENT HELP CLAIMANTS IN COURT PROCEEDINGS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, a supplementary.

As it is very costly for those former unemployed to defend themselves before the courts, and especially against the simple conclusions arrived at by the employees of the department, can the minister say if he will enable those former unemployed to defend themselves in any way before the courts in a more satisfactory way?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Well, Mr. Speaker, the fact of the matter is that before the matter ever reaches the courts, every attempt is made to negotiate with the particular person who has received an overpayment to make arrangements that will obviate that formal stage.

Oral Questions

ENERGY

TAPS TANKER ROUTE—POSSIBLE MEETING WITH MINISTER OF PARLIAMENTARY GROUP WHICH WENT TO WASHINGTON—REQUEST FOR ASSURANCE OF DAY FOR DEBATE

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. Will he assure the House that the interparliamentary committee which went to Washington two days ago will be able to meet immediately with the appropriate government ministers before the debate on this subject is set. I remind the Acting Prime Minister that he indicated yesterday that such a debate would be set.

Hon. Mitchell Sharp (Acting Prime Minister): Yes, Mr. Speaker. I would be very happy to meet with all members of the group that went to Washington. I think I can also speak for my colleagues in that regard. I hope we can finish the capital punishment debate and be in a position to set aside a day to discuss this very important issue.

Mr. Speaker: Order, please. Hon. members will appreciate we are not making very much headway. I think we are still on the first three or four questions because we have had so many supplementaries on the first questions raised which hon. members said would be brief, but supplementaries are always said to be brief. The Chair will recognize the hon. member for Vancouver South, followed by the right hon. member for Prince Albert.

Mr. Fraser: Thank you very much for your indulgence Mr. Speaker. My question is very brief. Can the Acting Prime Minister assure the House that the meeting just referred to will take place, and a debate will take place, before the House is adjourned for the recess.

Mr. Sharp: No, Mr. Speaker. That matter is not in my hands.

* * *

LABOUR RELATIONS

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—REQUEST MINISTER REVEAL BASIS FOR OPTIMISM AND NUMBER OF CARS OF GRAIN DELAYED

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, mine is a supplementary question. I should like to ask the Minister of Labour a couple of questions arising out of the answers already given. With the railway strike in the present position there is a grave feeling that our contracts for wheat may not be upheld. The minister mentioned that he is optimistic about the situation as a consequence of a couple of interventions, if I understood him correctly, he made with the labour leaders. Would he tell the House the basis for his optimism and also what report he has to date regarding the number of cars of grain being held up because of this strike.

Hon. John C. Munro (Minister of Labour): In terms of living up to our contracts, I do not believe there is any immediate danger there. If the hon. member for Prince Albert wishes specifics on that I can get them for him. I cannot relate them in detail to him. In terms of the basis for my optimism, it is based on the good sense of both parties to the dispute, and I believe there has been already evidence that that type of confidence is justified.

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—LENGTH OF TIME STRIKE PERMITTED BEFORE LEGISLATIVE ACTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the minister has been laden with optimism in the past which did not turn out to be justified. I ask him how long the government anticipates this state of affairs will continue before parliament will act so that the economy of this nation will not be unnecessarily weakened. Has the government any plans in this regard or does it simply intend to paddle along day by day?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, it is interesting to hear this question from the right hon. member for Prince Albert who always has been a man who has stood for free collective bargaining, as I understand it, and historically always against intervention in respect of giving people their legitimate rights recognized by parliament. I think the parties should be allowed to bargain in a free and collective way, and when the public interest is at stake I think this government will exercise its responsibility, but I hope that will not be necessary.

Mr. Diefenbaker: Mr. Speaker, this attempt at a lecture from the Liberal minister has no particular effect on me. I ask him how long it can be expected that the strike will be permitted to continue without this government having the backbone to bring before parliament the necessary action. How long will the security of the nation be undermined because of such generalities as those in which he has just indulged.

Mr. Speaker: Perhaps the minister could be allowed to reply briefly. The hon. member for Regina-Lake Centre has a supplementary. It appears that the question period will not be moving along, and I am not sure whether this is what hon. members wish.

Mr. Diefenbaker: Mr. Speaker, I rise on a question of privilege. Does the minister not want to answer—

Mr. Munro: Yes, I do.

Mr. Diefenbaker: —or is he afraid?

Mr. Speaker: Order. The hon. member for Regina-Lake Centre.

DISPUTE WITH NON-OPERATING RAILWAY EMPLOYEES—REQUEST FOR ASSURANCE COMPANIES WILL CO-OPERATE WITH UNIONS IN MOVEMENT OF GRAIN

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a supplementary to the questions asked by the hon. member for Winnipeg North and the right hon. gentleman from Prince Albert concerning whether or not the minister consulted with the unions, particularly on the grain movement. In view of the fact that the workers will

continue to move grain as well as operate ferries, may I ask the minister if he has met with the management of the railway companies to secure assurance from them that they will co-operate with the decision of the workers to move grain and operate ferries to the island of Newfoundland.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am sorry but I did not get the import of the hon. member's question. Will he please repeat it.

Mr. Benjamin: Mr. Speaker, I am asking if the minister has met with the management of the railway companies to secure assurance from them that the offer of the workers of the railways to continue to move grain and operate shipping to Newfoundland and other points off our coasts will be matched by the railway management?

Mr. Munro (Hamilton East): I have not personally had those discussions. I believe discussions have been held. I believe to this point we have not had the absolute assurance to which the hon. member is referring.

* * *

[*Translation*]

MANPOWER

GOVERNMENT MEASURES TO SECURE EMPLOYMENT FOR YOUNG PEOPLE—SUGGESTION MINISTER MEET WITH PROVINCIAL AUTHORITIES

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to put a question to the Minister of Manpower and Immigration.

Since there are now 85,000 young Quebecers without work, does the minister intend to introduce a special policy to remedy this deplorable situation or, at the very least, to meet the Quebec government authorities to discuss and improve the situation?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, discussions of this kind are going on almost constantly with the Quebec authorities. I would say as I said the other day, that we are gratified that although this situation is still at a level that satisfies nobody it is showing improving characteristics. There are fewer young people unemployed this year than last year, and we are exerting every effort, as I have stated very often in this House, to relieve the situation in respect of finding employment.

● (1440)

[*Translation*]

Mr. La Salle: Mr. Speaker, I should like to put a supplementary question.

Since an official of the Unemployment Insurance Commission, Mr. Doyon, has stated that if people spent 40 hours a week seeking employment, there would not be 85,000 young unemployed in Quebec, is the minister prepared to assure that Canadian industry is now capable of absorbing 500,000 unemployed?

[*English*]

AGRICULTURE

OUTBREAK OF HOOF AND MOUTH DISEASE IN EUROPE—ACTION TO PREVENT IMPORT INTO CANADA

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration, in view of the fact that the Minister of Agriculture, the Minister of Transport and the Minister of National Revenue are away from the House. In light of the announcement by the Director General of Veterinary Services of the Department of Agriculture that there has been a very serious outbreak of hoof and mouth disease in Europe and a warning that Canadian travellers should take appropriate precautions, can the minister tell the House whether there has been any action taken by the government on a concerted plan to prevent any Canadian travellers coming back from Europe from bringing this disease into Canada, with the disastrous results we all know can occur?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, on behalf of those half dozen or so ministers the hon. member referred to, I will have to take this question as notice.

* * *

ENERGY

TAPS TANKER ROUTE—VISIT OF PARLIAMENTARIANS TO WASHINGTON—REQUEST FOR CLARIFICATION OF STATEMENT BY ACTING PRIME MINISTER

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Acting Prime Minister. For the benefit of all hon. members I would like him to clarify the answer given by him to a question yesterday with respect to the Canadian parliamentarians' visit to Washington. In an answer at page 5965 of *Hansard* he said:

> They went without instructions from the government and they will not report to us.

In answer to the same question asked by the hon. member for Peace River as reported on the following page the minister had this to say:

> I think it was a very useful exchange. A report which was full and not biased—

Will the minister tell me in which of those statements he is telling the truth?

* * *

MANPOWER

ALLEGED GIVING OF GRANTS CONDITIONAL ON FAVOURABLE TREATMENT OF MINISTER—REQUEST FOR CLARIFICATION IN VIEW OF RELEASE OF TAPE RECORDINGS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration. In view of press reports to the effect that tapes have been released pertaining to a tele-

phone conversation in which a Liberal member of parliament told a certain group in Montreal that they would not get certain grants unless they kept quiet about the Unemployment Insurance Commission, and in view of the minister's statement in the House on Monday that until he read about it in the press he knew nothing about this, is he now in a position to make clear what he told the hon. member for LaSalle?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the situation has not been changed in any way. I was not aware of any request for such a grant. I did not discuss such a grant with anybody. I have since checked with the UIC and they advise me that they have no knowledge of an application for such a grant. I have asked departmental officials responsible for Local Initiative Programs to check, and they advise me they have no record of any such application being made or rejected. They are searching again to see if there is any possibility that this group is part of a larger group, for instance, the Greater Montreal Poverty Group.

So far as I am concerned there was no discussion of a grant. The discussion between myself and the hon. gentleman to which reference is made involved methods by which we could learn of and deal with specific details of concern to this group in respect to claimants in the Montreal area. When there have been representations made to us with respect to very valid complaints we have been able to follow these up, but it is very difficult to deal with others of a very general nature. I have no knowledge of any possibility of a grant being involved in this situation.

Mr. Baldwin: Will you produce the tapes, or are you going to follow Nixon's example?

Mr. Knowles (Winnipeg North Centre): I hear hon. members asking for the tapes. These tapes have been made public. Would the minister comment also on the assertion that he had discussions with the Secretary of State about such a grant?

Mr. Andras: Mr. Speaker, I certainly make the assertion that I had no conversation with the Secretary of State about this grant whatsoever. He is in the House and I am sure he can confirm that.

* * *

[*Translation*]

ATOMIC ENERGY

INQUIRY RESPECTING CONSTRUCTION OF HEAVY WATER PLANT IN QUEBEC—GOVERNMENT POSITION

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I wanted to put a question to the Minister of Energy, Mines and Resources, but in his absence, I shall put it to the acting minister.

Could the minister tell the House whether the cabinet or the Department of Energy, Mines and Resources as well as Atomic Energy of Canada Ltd. are considering projects for building a new heavy water plant in Canada, and if so, does not Quebec meet all requirements for the establishment of such a plant?

[Mr. Knowles (Winnipeg North Centre).]

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am informed that the Canadian government and Atomic Energy of Canada Ltd. are now considering the possibility of building a new heavy water plant. Several sites are being considered in Quebec. Subject to detailed environmental studies, these sites would seem appropriate. I wish to thank the hon. member for having given me advance notice of his question.

POSSIBILITY OF BUILDING HEAVY WATER PLANT IN QUEBEC—SELECTION OF GASPÉ AS SITE

Mr. Albert Béchard (Bonaventure-Îles de la Madeleine): Mr. Speaker, I should like to ask a supplementary question.

Following his affirmative reply, could the minister say if Gaspé is considered as the future plant site?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, although the hon. member did not give me any notice of his question, I can tell him that the Gaspé Peninsula is really one of the areas that have been considered as possible sites.

* * *

[*English*]

AIR TRANSPORT

CRASH OF BEECHCRAFT 18 AT WINNIPEG—REQUEST FOR RE-OPENING OF INVESTIGATION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in light of new evidence indicating that, contrary to the report of the Department of Transport, the cause of the crash of a Beechcraft 18 at Winnipeg on June 24, 1972, was the complete incompetence of the pilot, will the Minister of Transport undertake to re-open the investigation immediately, and table in the House of Commons the report arising from such further investigation? I direct this question to the Acting Prime Minister.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the hon. gentleman had the courtesy to send me today a transcript of the broadcast which he claims contains some new information about this terrible tragedy. I am passing it along to the Department of Transport for investigation.

* * *

HEALTH

SUGGESTION PROVINCIAL AMBULANCE SYSTEM BE INSURED SERVICE UNDER MEDICARE—GOVERNMENT POSITION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, the urgency of my question directed to the Minister of National Health and Welfare is based on the fact that far too many Canadians die unnecessarily each year because of the state of our ambulance and emergency services. Has the minister recently received a working paper on ambulance and emergency services in Canada recommending, among other things, that the federal government accept a

provincial ambulance system as an insured service under the Hospital Insurance and Diagnostic Services Act? If so, can we expect action very soon in this regard, or does the minister intend to table this report?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I understand that indeed a report has been sent to my department, but I have not had the opportunity to look at it yet.

* * *

[*English*]

POST OFFICE

PURPOSE OF SURVEY OF FORMER EMPLOYEES—POSSIBILITY OF MAKING RESULTS AVAILABLE TO UNIONS AND MEMBERS OF PARLIAMENT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General and I have given him notice of it. Arising from the current rapid turnover of postal employees due to deteriorating morale in the service, is the Post Office Department conducting a survey of these former employees in an effort to improve working conditions, and is the department using the expertise of the Department of Labour in carrying out this survey?

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I thank the hon. member for having given me notice of his question. I can confirm indeed that a questionnaire has been sent to former employees of the Calgary area. It is the only place, to my knowledge, where a questionnaire was sent. I can assure the hon. member that the questionnaire was specifically sent, because the authorities of my department, in order to improve their relations with employees, wish to know the reasons of their departure, their views on working conditions, training, opportunities for promotion and various other aspects dealing with the status of employees within the department.

● (1450)

[*English*]

Mr. Dinsdale: Could the hon. gentleman inform the House if it is the intention of his department to carry out similar surveys across Canada? If so, will they be carried out in conjunction with the expertise of the Department of Labour? In the interests of restoring confidence in Canada's postal service, will results of the surveys be made available to postal unions and members of parliament?

[*Translation*]

Mr. Ouellet: As to the first part of the question, Mr. Speaker, may I remind the hon. member that we have within the Post Office Department a Staff Relations Branch which indeed maintains close and constant contact with the Department of Labour of Canada.

As to the second part of the question, it goes without saying that if this investigation in the Calgary area proves very useful, we shall institute similar actions in other areas of our country.

As to the last part, when in possession of the findings, we shall decide whether it is appropriate to convey them to the union representatives of the Post Office employees.

* * *

[*English*]

EXHIBITIONS

EXPO '74; SPOKANE, WASHINGTON—REASON FOR FAILURE OF CANADA TO HAVE PAVILION

Mr. Randolph Harding (Kootenay West): Mr. Speaker, my question is for the Acting Prime Minister or the appropriate minister if another department is involved. In view of the recent disappointing announcement that Canada would not have a pavilion at Expo '74 which is to be held in Spokane, State of Washington, next year, I would ask the minister why Canada, at this late date, has decided not to participate in Expo '74 after indicating to Expo officials months ago that a Canadian pavilion would be constructed for Canadian exhibits?

Mr. Speaker: Order, please. I am not sure how urgent the question is. It seems to me that perhaps it should be placed on the order paper, but if the minister has a reply it could be given now.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, this question was considered very carefully over a period of recent weeks, and we came to the conclusion that the Canadian government had higher priorities and limited resources, and this was one of the projects that would have to be sacrificed.

Mr. Harding: A supplementary and this is rather urgent, Mr. Speaker, because if construction is to take place it must take place immediately. In view of the exceedingly favourable publicity which a Canadian pavilion would generate for Canada, and in view of the modest $1.5 million involved, I would ask the minister if the government will reconsider its position on this important matter?

Mr. Speaker: That is a representation.

An hon. Member: What about a LIP grant?

Mr. Speaker: The hon. member for Rimouski.

* * *

[*Translation*]

OFFICIAL LANGUAGES

INQUIRY RESPECTING JOB ADVERTISEMENT ISSUED BY DEPARTMENT OF PUBLIC WORKS

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like to ask a question of the Minister of Public Works.

Is he aware of Competition No. 73-PW-CR-CC-15 for a suitable applicant for the position of foreman for miscellaneous trades? On page 3 of the notice, in the section dealing with the linguistic requirements we read that English is essential, but there are no requisites regarding the French language.

Mr. Speaker: Order. Here again, I am under the impression that such a question could be put on the order paper. Should it be urgent, the hon. member could discuss it at the time of adjournment.

* * *

[*English*]

NATIONAL DEFENCE

GAGETOWN—REPLACEMENT OF FOOD SERVICE EMPLOYEES WITH STUDENTS

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, my question is for the Minister of National Defence or whichever hon. member is handling his portfolio today. Is the minister aware that 14 food service employees at base Gagetown, some of them breadwinners, are being laid off at the end of this month while dozens of single students are being hired at the same base for summer work?

Mr. Speaker: The hon. President of the Treasury Board.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think I would have to take that question as notice.

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PENITENTIARIES

INQUIRY AS TO MINISTERIAL APPROVAL OF TWO WEEK HOLIDAY GIVEN INMATES

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Solicitor General. Would the minister advise the House whether he was personally consulted before the two-week holiday period for inmates was instituted at Archambault Institution and other institutions in the province of Quebec, and did the minister give his direct approval for those weeks of sun bathing, tennis, golf and other similar activities?

Mr. Speaker: Order, please. I am not sure that the question asked in those terms is in order. The minister seems anxious to reply, and perhaps he should be given the opportunity.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I was not consulted but these two week periods are held in conjunction with the holidays which are given to the instructional staff and they are also quite in accordance with our attempt to place men in institutions as much as possible almost in the conditions of life they would have when they return to civilian life.

Some hon. Members: Oh, oh!

REASON FOR DENIAL OF PERMISSION FOR MEMBERS OF PRESS TO ACCOMPANY PARLIAMENTARY COMMITTEE ON INVESTIGATION

Mr. Sean O'Sullivan (Hamilton-Wentworth): A supplementary. In view of the fact that the parliamentary committee of this House investigating the Canadian Penitentiary Service was denied permission to have members of the news media accompany it during its tour of penitentiaries, can the minister advise the House why media respresentatives were able to tour the Archambault institution yesterday and even photograph the smiling countenances of such inmates as the FLQ conspirators?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I will look into that. I must say that members of the press do go into institutions from time to time—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: Explain.

An hon. Member: Do they ever come out?

Mr. Allmand: —to interview inmates and so on. Mr. Speaker, I want to say that in asking his question the hon. member greatly exaggerated the conditions that prevail during these two-week vacations.

Mr. Speaker: The hon. member for Cochrane—order, please, I apologize to the hon. member. Is the hon. member for Hamilton-Wentworth rising on a question of privilege?

Mr. O'Sullivan: Mr. Speaker, I certainly am sorry that it is necessary for me to rise on a question of privilege and I hesitate to do so. The minister has stated that I have exaggerated the conditions in the Archambault institution. As a member of the committee investigating the Canadian Penitentiary Service, I have returned from a visit to Archambault and other institutions. I saw those conditions personally. Perhaps the minister has not.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member has taken the floor on a question of privilege that I suggest to him respectfully was not a question of privilege but rather a point of debate. These questions and answers could always be the subject of debate between the member who asked the question and the minister who gave the reply. I suggest to hon. members that this kind of dispute should not give rise to questions of privilege. The minister claims the right to reply to the hon. member and perhaps he should be given this right in fairness, after which the Chair will recognize the hon. member for Cochrane.

Mr. Allmand: On the question of privilege, Mr. Speaker. The hon. member has said that the inmates at Archambault were playing golf. As far as I know there is no golf course at Archambault.

An hon. Member: You do not know!

An hon. Member: Miniature golf.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

PUBLIC BUILDINGS

EXTERNAL AFFAIRS—REQUEST FOR REMOVAL OF PIECE OF SCULPTURE

Mr. Ralph Stewart (Cochrane): Mr. Speaker, my question is addressed to the Acting Prime Minister with a change of pace. Is it the intention of the government to get rid of the blue piece of metal in front of the External Affairs building before Her Majesty the Queen opens the building officially?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, all I can say is that there are understandable differences of opinion about the artistic merit of this particular thing.

Mr. Stewart (Cochrane): A supplementary, Mr. Speaker—

Mr. Speaker: Order, please. Perhaps the question might be placed on the order paper or considered at an appropriate time, that is when it is dark, at ten o'clock. The hon. member for Cochrane.

Mr. Stewart (Cochrane): Mr. Speaker, I am sorry to insist on this but since the Queen will be coming next week perhaps the minister would consider covering over this monstrosity so that Her Majesty will not think that Canadians are as naïve as the emperor in Hans Christian Anderson's story—

Mr. Speaker: Order, please. The hon. member for Cape Breton-East Richmond.

* * *

INQUIRY OF THE MINISTRY

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, my question is supplementary to one previously asked in respect of the escape from the penitentiaries and is directed to the House leader. I would ask the House leader if he would consider passing over his House duties to the Solicitor General so that we might all get out?

Mr. Speaker: I regret that I must call orders of the day. The question period appears to be rolling toward the end.

* * *

● (1500)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, my question is supplementary to the last question. I ask the government House leader whether he has a fairly short answer as to what we will be doing this week and next week.

Mr. MacEachen: Mr. Speaker, I have a very short list. We hope to complete the Olympic bill and the amendments to the Criminal Code.

Olympic Bill

Mr. Benjamin: On a point of order, Mr. Speaker, in view of the assurances, or statements of a member on the government side in the transport committee this morning, I ask the government House leader whether he can give a commitment to the effect that when a certain piece of legislation has passed through the transport committee this week or next, it will be brought forward immediately for the report stage and third reading.

Mr. MacEachen: Mr. Speaker, I am aware of what is happening in that committee. If there is a disposition to add to the items I have mentioned, I will be glad to co-operate.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

OLYMPIC (1976) BILL

PROVISION FOR ISSUING OF COMMEMORATIVE COINS AND STAMPS AND HOLDING OF LOTTERY

The House resumed, from Wednesday, July 25, consideration of the motion of Mr. Drury that Bill C-196, respecting the 1976 summer Olympic games, be read the third time and do pass; and the amendment thereto of Mr. Peters (page 5975).

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I was saying yesterday that the Prime Minister (Mr. Trudeau) has been either naïve or deceptive with this House and the people of Canada during the past five years with respect to the financing of the 1976 summer Olympics. In many ways he could be likened to a plant manager who under questioning about a pet project that the manager seems interested in, tells his employers, who may have heard rumours to the contrary for five years, that he has made no special business concessions, has agreed to no special contributions, commitments or assistance and has not agreed to give direct financial assistance. Finally he states categorically that the project will not cost the employers a penny.

Then the manager explains at the last moment that he has agreed to turn over the bulk of his plant's production—which in this case is the Royal Canadian Mint—for four years. The plant is to be run at four times its normal volume on a non-profit basis, all of the net proceeds from the special run will be going to his pet project. To make matters worse, the employers find out that while they will make nothing out of the run, they will be contingently liable with respect to all sales made during the four-year period. I suggest the employers in such a position would first fire the employee and then make the best of the bad deal to which they had been committed by the fired employee. In this case we will have to wait for the voters who, hopefully, will do the firing of the Prime Minister. In the meantime it is up to this House, and particularly the opposition, to make the best of a bad deal.

I feel that members of the NDP have not acted responsibly in this matter. As was pointed out yesterday, representatives of that party on February 2 said they were in favour of the Olympics and in favour of the coinage and stamp issue that was contemplated and finally announced by the Prime Minister for the first time on that date. The NDP want the luxury of disassociating themselves from this Olympics deal, now that they know the nation is hooked. Whether we like it or not, the nation has been hooked by a Prime Minister whom the NDP has propped up for nine months. The nation has been hooked by a Prime Minister who, because of the NDP vote in committee on July 11, was not invited to appear before the committee and required to explain how he got the country into the position of having to turn the net proceeds from our Mint over to a private corporation for four years. He should have been required to explain why he spent four years denying what was going on, and why he now persists in pretending that what is happening is not happening.

The Conservative's proposal to have the Prime Minister appear before the committee was turned down as a result of a vote taken in committee. Eight of our members voted unanimously for the Prime Minister to appear before the committee, but the Liberal and NDP representatives on the committee said that in no way would that happen and voted against hearing the Prime Minister. It was a recorded vote.

Consider the inconsistency of the NDP. They made a statement on February 2. Yesterday one NDP member admitted that they had changed direction in the subsequent speech made on June 28. That hon. member ought to read the report of the committee meeting that occurred subsequent to June 28. He would see the direction that his party took that evening. As I said, the NDP voted against hearing the Prime Minister in committee. When my party moved an amendment, hoping to tidy up this bill and limit to $250 million the amount the Olympic corporation may get from the coinage issued plus another $10 million from the stamp issue, one or two Liberal members voted for the proposal. But not the Prime Minister's most trusted allies, the NDP. They did not vote for it.

At that time one of the NDP members of the committee made the startling comment, recorded at page 40:48 of the committee proceedings, that the limit of $250 million was unnecessarily rigid. Another of their spokesmen on the committee said he could not see voting to limit this amount because in the unlikely event that they should make a profit of the kind that had been suggested, then more power to them. He was speaking of the Olympic corporation. Earlier that member had said, as recorded at page 40:50 of the committee proceedings, that those who take the risks should also have the opportunity of receiving whatever profit there may be.

For reasons that will become evident later in my address, it was unfortunate that the committee was not allowed to question the Prime Minister. So that hon. members may know the thinking of the sponsor of this bill, the President of the Treasury Board (Mr. Drury), they should know that during the committee hearings he said that the Prime Minister did not have much to add to this particular bill nor any information regarding it. When asked if the

Prime Minister would appear before the committee, the President of the Treasury Board said the Prime Minister's time "is more valuable." This is recorded at page 38:17 of the committee proceedings.

The comment made by the hon. member for Joliette (Mr. La Salle) as recorded at page 38:23 of the committee proceedings is interesting by way of background information. When we were discussing whether the Prime Minister should appear at committee, the hon. member said, as translated:

> —we also know, and many of us will not admit it, perfectly well there were frequent meetings between the Prime Minister of Canada and Mr. Drapeau; and we know perfectly well if the political context, since October 30, were different, if we had a majority government, Canada's commitment would have been on a much broader scale than it is now. We must admit it, and of course a compromise has to be found.

● (1510)

Perhaps unwittingly, or possibly with much more knowledge than many of us have in this chamber, I believe the hon. member put his finger on the question. If I may, I would like to trace through what is reported in *Hansard*, including documents that have been tabled, to show the contradictory position that has been taken by the government, particularly by the Prime Minister, with regard to this matter.

Before commencing to do so, I think it is wise to get our terms of reference accurate because in the quotations I intend to refer to we will find words such as "coinage", "financial", "special" and "contribution" used in very loose terms. It is wise to put on the record how the Oxford dictionary defines these words. "Financial" is defined as pertaining to revenue or money matters. "Money" is defined as current coin, coin and promissory documents representing it. "Coin" is defined as a piece of metal made into money by official stamp, metal money, money. "Contribute" is defined as to pay, furnish, that is, to contribute to a common fund. "Contribution" is defined as the act of contributing. Finally, "special" is defined as being of a particular kind, peculiar, not general.

In the records that have either been tabled in the House or printed in *Hansard*, the first reference to the 1976 summer Olympics is a letter to the then minister of national health and welfare from the mayor of Montreal, dated November 18, 1968. In that letter the mayor stated he had just read Mr. Munro's letter of October 25. He stated it seemed to sum up in substance the discussions they held in Mexico City on Friday, October 11, 1968. I am sorry we do not know what those discussions were. The mayor of Montreal then attempted to summarize what he considered to be the Olympic financing plans. In the body of the letter he stated:

> We believe that the necessary expenses will be financed by public authorities, under existing legislation—

This I emphasize:

> —or under legislation which could be passed anyway for all kinds of related purposes—

Was the mayor of Montreal a little psychic as far back as 1968 in referring to new legislation which was introduced in 1973 for all kinds of related purposes, namely, coins, stamps and lotteries? In another paragraph of the same letter he said:

—we do not feel we will have to ask governments at higher levels for special grants in order to hold the 1976 Olympics. We are not giving up, however, the right to any advantages which might be extended to us under existing or future legislation.

The words "future legislation" are repeated several times throughout the correspondence. I find it interesting that in all the government's correspondence to the Montreal organizers of the Olympics not once is the simple question asked: What future legislation do you mean? Is it that the federal authorities knew what the mayor meant? In any event, the Olympic organizers always qualified their statements by saying they wished to keep their option open concerning future legislation.

We then come to two more letters. One is dated May 21, 1969, to which the Prime Minister habitually refers. It is a letter addressed to the mayor of Montreal, in which the Prime Minister states:

—since the federal government made major contributions for various installations in connection with Expo, and some of these can be used for the Olympic games, I am sure that you will understand that we cannot provide any financial support for the organization of the games or for its publicity.

Next is a letter sent to the president of the International Olympic Committee, dated the same day, in which the Prime Minister said:

The Government of Canada warmly supports the application of the city of Montreal—

I note that in this letter he very carefully did not put a rider or qualification on any support that might be going to the city of Montreal. Apparently, the original of the letter sent to the president of the International Olympic Committee was lost. Later, the Prime Minister conveniently supplied a new original copy so that the Olympic file would be complete. Presumably, in 1969 the Olympic committee put a fair amount of stock in the letter from the Prime Minister. I would also point out that the words used are "financial support". I also refer to their Oxford dictionary definition. On January 15, 1970, the mayor of Montreal wrote to the Prime Minister as follows:

I thank you for giving your official support to our application to host the 1976 Olympic summer games.

I wish to refer to what is recorded in *Hansard* during this period. On January 22, 1970, the then parliamentary secretary to the minister of consumer and corporate affairs said, as recorded at page 2729 of *Hansard:*

Montreal did not request direct financial assistance and therefore no commitment has been given to them . . .

Montreal will be seeking indirect financial support under either existing legislation or legislation that might exist in the future concerning urban renewal and public housing.

I emphasize that nowhere did Mr. Drapeau speak about future legislation being restructed to urban renewal and public housing. On March 17, 1970, as recorded at page 5111 of *Hansard*, in answer to a question by the hon. member for Edmonton Centre (Mr. Paproski) as to what role the federal government is playing in assisting both Vancouver and Montreal is their Olympic bids, the Prime Minister said:

—this is a rather complicated and lengthy question to answer . . .

But until a decision is taken on the Olympics I do not think it is useful to make any further statements.

It is interesting to note that three years later in this House, on May 10 last, in answer to a similar question by the right hon. member for Prince Albert (Mr. Diefenbaker) the Prime Minister indicated that it was still a very complicated question and he felt the right hon. member for Prince Albert could not understand it. On May 20, 1970, as recorded at page 7105 of *Hansard*, documents relating to the Olympic games were tabled by the Acting Prime Minister (Mr. Sharp). On May 11, 1971, in answer to a question by the hon. member for Cape Breton-East Richmond (Mr. MacInnis), the Prime Minister replied:

In the case of Montreal it was that we were not prepared to assist financially in the organization and carrying out of the Olympics.

● (1520)

It is at this point in the tabled documents that I find an interesting letter from the mayor of Montreal to the Prime Minister in which the mayor requests that the services of His Excellency Roger Rousseau be made available to the Olympic organizing committee. He states it would not be necessary to announce the appointment before February, 1972, but that it would be desirable to obtain consent during the next few weeks. Shortly thereafter, as reported in *Hansard* at page 109 on February 22, 1972, the Prime Minister (Mr. Trudeau) stated in answer to a question:

There has been no request for financial assistance from Montreal for the 1976 Olympic Games. On the contrary, the city has always assured us that the games would not cost a cent to the federal government and we have always thought the city would keep its word.

On March 29 of the same year, as reported at page 1261 of *Hansard*, the Prime Minister said, again in answer to a question, that it had been agreed to both sides that the very substantial contribution made by the federal government at the time of Expo was sufficient, and that no special contribution was contemplated by the federal government for the games. At page 1262 he said:

There is not special contribution contemplated by the federal government for the games.

Yet we find that on November 25, 1971, the Prime Minister had sent a letter to the mayor replying to the November 4, 1971, letter and saying:

The Canadian government gladly agrees to make available to you the services of Mr. Rousseau . . . It seems logical to me that Mr. Rousseau's salary should continue to be absorbed by the federal government after he assumes his new duties.

I understand that his salary of $30,000 per year is still being paid by the federal government. On August 15, 1972, we find a further letter from the Prime Minister to the mayor in which he states:

The Government of Canada cannot help but be concerned about the international implications of a project such as the Olympic games.

He went on to say his officials had indicated that there could be a deficit. Generally, the letter expresses concern as to what was taking place in Montreal and how the Olympic expenditures were to be financed. I then find Mr. Rousseau, Chairman and Commissioner General, writing three letters to the Prime Minister, dated November 17, 1972, in which he attempts to clarify three points, namely, the question of the coinage, the question of the stamps and the question of the lottery. He says his committee would like the Prime Minister to authorize and prepare federal

legislation to make it possible to do the coin issue, etc. He felt it would make sufficient profit, based upon the experience, in similar circumstances, of Germany, to cover expenses. On parliament's return, in answer to a question by the hon. member for Fraser Valley West (Mr. Rose), the Minister of State for Urban Affairs (Mr. Basford) said, as reported in *Hansard* of January 9, 1973, at page 88:

Mr. Speaker, the position of the federal government has not changed from that stated by the Prime Minister in the House some time ago.

Then there is a very interesting letter dated January 20, 1973, from Mr. Rousseau which reads as follows:

I felt it would be useful to review briefly the financial thinking which has always accompanied the various developments relative to the Olympic games.

He says the committee hopes to have recourse to all existing and future legislation and believes it is now imperative that a decision be made and that, to use his words, "this delay cannot be further prolonged." Then he said:

The procedures to follow have also been largely studied with persons authorized, respectively, by the Postmaster General and the Minister of Supply (summer and fall of 1972). They are easy, realistic and effective.

On January 18 we find the Minister of State for Urban Affairs saying there had been some requests of a non-financial nature from the organizing committee. He went on to admit that the non-financial items concerned coins, stamps, and things of that sort. He may call them non-financial, but that is not the way the Oxford dictionary defines them.

On January 25, in answer to a question by my right hon. friend from Prince Albert (Mr. Diefenbaker), the Prime Minister again stated the federal government would not make any special financial aid available to Montreal. In fact, he said, Mayor Drapeau's statements had confirmed his understanding that there was no commitment nor any request that the federal government make any special contribution available for the holding of the games. It is particularly interesting to note that on January 23 the Prime Minister had written to Mayor Drapeau stating, in light of Mr. Rousseau's letter to him of January 20, 1973:

My colleagues and I are greatly concerned about the assumptions which appear to have been made as to the extent of the federal government services which would be provided.

The Prime Minister said it would not be prudent to accede to any "request for federal . . . revenue schemes . . . such as Olympic Coins" without knowing how costs are going to be covered without direct federal involvement. The Prime Minister's concern apparently arose after the Rousseau letter to which I have referred. I would point out that in answering questions, the Prime Minister referred to the fact that he had received a letter from Mr. Rousseau from which he was satisfied that the Montreal group understood the federal position, though he had sent the letter on January 23 stating that he was alarmed. He then asked for guarantees with respect to financial responsibility in case a deficit should arise.

In this connection, three letters have been tabled, one from the Prime Minister of Quebec, one from Mayor Drapeau and one from Mr. Rousseau. In effect, these letters state: If you give us the cash we shall not come against you for any future deficit. Each of the three letters contained a proviso that unless the federal government agreed to give the net proceeds from the coinage and the stamp issues, the federal government would presumably be required to cover any deficit. I was pleased to hear the President of Treasury Board agree, in answer to a question by me, that he would secure from these three gentlemen an assurance that upon the passage of this bill they would at least recognize that the provisos they mentioned in their letters of January 31 and February 1 have been met by the federal government.

A financial analysis was produced by the government on January 31 in which it was indicated that the deficit might amount to $172 million. It was also pointed out that of a total projected budget for the Olympics of $310 million, the cost of the main arena complex would amount to some $182 million. This is, of course, a major portion of the projected cost, and I would point out that the convertible roof for the arena is not even required as far as the Olympics are concerned.

• (1530)

Coming back to *Hansard*, in spite of this type of correspondence, the Prime Minister stuck to his story on January 29. Again, in answer to a question by the hon. member for Champlain (Mr. Matte), the Prime Minister said that the Olympics would not cost the Canadian government a penny. He went on to state, on January 31, at page 831:

—we are simply waiting for some valid assurance not only from a political point of view but from a legal point of view that the Canadian taxpayer will not be the backer in the final analysis.

As has been said, he did receive three letters which, from a legalistic point of view, really say nothing. They simply say that provided the government does certain things, namely, give the Olympic corporation the cash, it will not hold the government responsible for any resulting deficit. In spite of that, on February 2, against a deadline of February 3 when a presentation had to be made in Europe to the International Olympic Committee, he indicated finally that he was satisfied to go ahead with some legislation. That brings us to today. Perhaps I should touch upon one other point. It is interesting to note that on May 10, in answer to what I thought was a very relevant and direct question by the right hon. member for Prince Albert, the Prime Minister gave what I felt was an extremely misleading answer. The question by the right hon. member for Prince Albert is found at page 3611 and reads as follows:

Does it not amount in fact to the people of Canada having to put up, because they will not receive the benefit of the coinage, some $200 million by indirect instead of direct contribution?

The Prime Minister answered:

Mr. Speaker, the answer to the question is no, but I think the fact that it was asked proves, indeed, that the complexity of the question is not understood by the right hon. gentleman.

I think what I have related is an unfortunate tale to have to relate to this House. It is difficult to understand how the Prime Minister of a country like Canada could so systematically attempt to create the impression he is not going to contribute to a project, that he is not in any way going to give financial assistance or special aid, yet does exactly that. I believe there is an answer owing by the

Prime Minister to the country. My point is that this is not a question of whether the Olympics is good or bad, or whether Montreal should receive this type of assistance but, rather, it is a question as to whether it is right for any government to be so deceitful about participation in a plan. At some stage do they not admit that they had planned for a significant period of time to do exactly what we have under consideration today?

As I said at the beginning, I believe as members of this House we have to accept reality. We have been led into a situation which is unfortunate. It sets a precedent that I feel will be repeated. In fact, if we read the letter from Mr. Rousseau we find he points out that as one of the advantages of his scheme is that it can be used to finance all kinds of various projects throughout the country he referred to the coinage seigniorage scheme.

We must accept the fact that our Prime Minister got us into this spot. If he wanted to make a grant for the Olympics in Montreal, I wish he had had the courage to say so by introducing whatever estimate he wanted in this House. It is my belief he would have received general support. He did not choose that route, and now having committed us in the name of Canada, we in the opposition had little alternative but to review the provisions of this bill in an effort to determine, by questioning the various representatives who appeared before the committee, what in fact they planned. In that regard I must say most of us were disturbed with the lack of planning that had gone into this matter.

I was pleased that our members were able to propose and have accepted six significant amendments which now appear in the bill before us today. One of these amendments put a limit on the number of coins that may be issued, the limit being set at $450 million. The amendment also limited the maximum amount that may be turned over to the Olympic corporation. It is $260 million. The amendments also require that there be a six months' reporting to this House concerning coinage and related matters, and that if 60 members of the House so desire, they may have the matter debated in the House and referred to the committee.

The amendments dealt with two very great discrepancies in the bill. The first is the fact that the Government of Canada could have been in the position, with the original wording of the bill, to have to issue coinage at a net consideration, which would have resulted in the coinage selling for less than face value. We now have a provision in one of our amendments which prevents that. We have a further provision that ensures that there cannot be side deals, indirect concessions, bonuses or kickbacks, whatever you like to call them, which would have the effect of allowing some persons to buy these coins at a discount.

We also have an amendment which specifically spells out the term "philatelic products" to make sure these are better defined. Finally, there is a provision which requires the Minister of Finance (Mr. Turner) to call in any coins if he feels there is a circulation problem. As long as the Olympic corporation is in operation when the coins are called in, we have an assurance from the President of the Treasury Board and from representatives who appeared before the committee that a charge-back would be made against the Olympic corporation to cover any net loss as a result of the call-back of the coins.

There was one point that came up subsequent to the committee hearings. We have heard rumours that the Olympic organizers are contemplating the issue of privately minted coinage which might appear to be Olympic coinage. I have taken this matter up with the President of the Treasury Board, who has assured me that he will see to it that this type of coinage will not be issued if it would in any way result in confusion within or outside Canada between legal Canadian Olympic coinage and Olympic coinage which has no value as legal tender.

In short, I believe the committee has made the best of a poor situation. It is unfortunate that something which should be a great national event, the 1976 summer Olympics, has been the subject of this indirect and deceitful type of financing. I see no reason why this nation could not openly finance any project that this or any provincial parliament felt desirable, yet for reasons known only to the Prime Minister and the government they have systematically attempted to mislead the House and the public concerning their true intent. It was not necessary. I hope no government in Canada will stoop so low again. But faced with the reality, as we are today, I feel we have no alternative but to support the bill. However, I would emphasize that we should support it as amended.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, before the bill under consideration was introduced in the House, all parties, I think, had the opportunity to meet with His Worship Mayor Jean Drapeau, as well as the Commissioner General for the Olympic games, His Excellency, Mr. Rousseau. When they came to Ottawa, they met with representatives of practically all parties. I personally received them in my office, where I was told that even the New Democratic members supported their project.

When Mr. Drapeau came to Ottawa with Mr. Rousseau, both unfolded their project for the Olympics, and I think they seemed responsible people who were conversant with this matter. After having set forth their self-financing project, they asked for assistance from Ottawa. They did not come to beg from Ottawa funds that would be taken out of the federal treasury itself to be spent in Montreal. They came to suggest a plan studied by experts, and designed to ensure the funding of the Olympics.

Now, Bill C-196 mentions three projects: first, a national lottery, which would be held in all provinces; secondly, the issue of postal stamps which would enable the City of Montreal or COJO to make 2-cent profit per stamp, and thirdly, the issue of commemorative Olympic coins designed for collectors and which would be on sale throughout the world.

Yesterday, I heard the hon. member for Timiskaming (Mr. Peters) say that this would be a complete fiasco. He based his argument on this fiasco of Canada's centennial. But, Mr. Speaker, there is no possible comparison between the centennial which was a national celebration and in no way an international event as the Olympic Games will be, when we will greet people from all countries. As regards Canada's centennial, the hon. member for Timiskaming said that we had, I think, sold 3,500,000 coins and that the

Olympic Games would require the coinage of 65 million coins.

Everyone knows, Mr. Speaker—if they do not, I do—that following the centennial, we have received orders for coins and we had all sorts of trouble getting any. We ran short of series, for instance, that were being asked. I got countless telephone calls and letters asking me how to go about getting those Canadian centennial commemorative coins.

In Germany, during the last Olympic Games, there was also a shortage of those coins and I believe the Olympic Games authorities, the mayor of Montreal and Mr. Rousseau went to Europe and here and there throughout the world to determine whether it might be possible to sell those coins to collectors and the general public. Mayor Drapeau tells us it might be possible to finance the Olympic Games through the sale of coins minted on that occasion. So, Mr. Speaker, it seems to me that the Olympic Games constitute, for Montreal and the whole country, an excellent means of acquainting millions of people throughout the world with Canada.

In 1967, 52 million persons went to Expo. They stimulated commerce and encouraged Canadians in general, but especially Montrealers, Torontonians and westerners. We took advantage of our trip to Montreal to visit Winnipeg, Edmonton, Calgary and Vancouver, and I think that the Olympic Games will provide us with a similar opportunity.

We hear a lot about the losses resulting from Expo 67 in Montreal, but nobody mentions the revenue it provided, the economic development it fostered in Canada. Before Expo, Mr. Speaker, we did not have the highway system we have now; there was no subway in Montreal. Thanks to Expo, Montreal developed remarkably. By way of consequence, this helped even Toronto and Winnipeg. Even the riding of the hon. leader of the New Democratic Party (Mr. Lewis) may have benefited. Mr. Speaker, if we consider only the liabilities and do not take into consideration how it benefited the people, our assessment is all wrong. Have we taken into account, for instance, the income tax paid by the citizens of Montréal and other Canadians who benefitted from Expo? That was never done. No one ever said either what Canada gained through income tax. The same thing will happen with the Olympic Games in 1976.

● (1550)

I realize that the possibilities would be greater if we had another system for financing the Olympic Games, which, whether we like it or not, will in the end have their justification. Vancouver had applied for the Olympic Games. Denver, in the U.S., and other cities in the rest of the world, including Moscow, made the same application. Why? Because it is an opportunity to make the city and the country where the Games are held better known.

When I visit France and ask the French if they know where Canada is situated, they answer they think it is close to China, which is far from the truth. If we invite them and if they come to visit us, they will find out that we are quite far from China. In fact, we are closer to France than to China.

Mr. Speaker, the Olympic Games will benefit Montréal and the whole of Canada; they will attract visitors from all parts of the world.

[Mr. Caouette (Témiscamingue).]

This bill deals with a lottery. I am not what they call a gambler, but when one is against lotteries, one does not get any money in his pockets. It is profitable for the one who wins, but many have to chip in, and everybody knows that. Even when lotteries did not exist, people used to gamble. The Mini-Loto, the Super-Loto, Loto-Quebec and all other "lotos" in Quebec bring in profits; people just love to buy tickets. Even the Irish sweepstake operates wonderfully in Canada. I bet the hon. member for Timiskaming buys tickets for the Irish sweepstake. Instead of buying these tickets and sending his money to Ireland, he will be buying Canadian lottery tickets to finance the Olympic Games or part of them. He will thus promote something in this country. But yesterday, he spoke against the lottery—not against the Irish sweepstake which is not there to help the financing of the Montreal Olympic Games.

And now, the postage stamps. Nobody will be required to buy them. But if we do buy some, two cents per stamp will go to COJO. But we will not have to buy any. We will still be able to use the postage stamps showing the Western wheat fields or those in honour of Sir John A. Macdonald, at the regular price. But stamp collectors will buy a lot of those on the occasion of the Montreal Olympic Games.

If the hon. member for Timiskaming or his colleagues of the NDP do not want to buy any stamps, let them not buy any, but let them not prevent others from buying some if they wish to do so. It seems to me it is as simple as that. And, at the same time, we help the Olympic Games.

Concerning the coins, they are afraid too many will be issued; the hon. member said yesterday "out of a windbag—or something like that", coins based on nothing. But those who will be buying coins will indirectly contribute $2, I think, to COJO. These people will keep the coins and the money now in circulation will not be devalued. Those who will have them are not going to take anything from anyone. However, these coins will constitute a souvenir for their purchasers all over the world.

During centennial year coins were selling at higher cost than their value. We bought them just the same; this has not thrown the Canadian economy out of kilter. My set is at home and I am not using it. So it does not create inflation at all. And all those who have kept those coins obviously do not use them; so this is not what creates inflation or unbalances the economy of a country like Canada.

But the important point, the capital point, Mr. Speaker, is that the Olympics will be held in Canada, in the City of Montreal. Instead of objecting to it, we should with one voice congratulate the mayor of Montreal who brought them here. He really did and God knows how he devoted himself, travelled, spent his time, his money, everything, to put Montreal and Canada on the map.

That is why, Mr. Speaker, even at some cost, it is worth to make Canada known and to show the entire world that we too, a small nation of 20 million inhabitants, can hold the Olympic Games which, I think, will attract millions of people and enable Canada to show her great hospitality, her intellectual, physical, and material development, while the nations that do not know Canada today will have this unique opportunity of making themselves known.

That is why my colleagues and myself strongly support the request of Mayor Drapeau and the Organizing Committee of the Olympic Games. I suggest that the members stop opposing a bill that will enable Canada to be better known and have a stronger voice not only from the economic point of view, but also from the Olympic Games point of view, and to show that we, as every other nation, are interested in sports.

We saw not so long ago the Russian hockey team give us a surprise here in Canada, with regard to our national sport; we were almost beaten by people whom we thought were second rate. We found out that people learn how to play hockey outside Canada, and we learned it the hard way.

But now, in turn, we can show the whole world and our own people in Montreal that we are not only hockey players, but that we can train in other sports that our young athletes are first rate, enterprising, that they have achieved something. Those young people, I am convinced, will thank Mayor Drapeau of Montreal, Mr. Rousseau and COJO, and will be grateful to the Canadian Parliament for Bill C-196 which provides for the self-financing of the Olympic Games, not at our expense, but through a sensible program.

[*English*]

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I would like to begin by reassuring the hon. member for Témiscamingue (Mr. Caouette) that my party is not opposed to the Olympics, nor is it opposed to sports generally. Had he read the remarks I made on June 28, he would know that I dealt with a number of the matters that he raised. Certainly I am as concered as he is about the success of the games. I will be as proud as he and all Canadians were of Expo. That is not the point of the argument. If that is what it appears to him, then he missed the point.

I was very interested in the remarks of the hon. member for York-Simcoe (Mr. Stevens). He spent a great deal of time attacking the irresponsibility of my political party, pointing out with a great deal of force and, I suppose, with a bit of logic some inconsistencies in our position. He interrupted the debate yesterday to suggest that we had somehow switched our position since early February. That is true: we have. That was admitted by me when I spoke on second reading on June 28, less than a month ago. I suppose it is the height of egotism to quote myself, but I said on that date:

> We recognize also that our opposition to Bill C-196 is a departure from the position I, personally, took last February in my response to the Prime Minister's statement on motions, which at that time was intended to assure the House that any deficit accruing from the games would not be borne by the federal government.

I make no apology for this. I think we would be irresponsible to pursue blindly a course we felt was wrong merely because in a quick response to a statement on motions we committed ourselves to God knows what deficit, approximately $500 million, which is as much as we spend per year on post-secondary education in this country, now to be spent on a two-week extravaganza, a two-week carnival of sweat. I hope my attitude would be no different if the same kind of financing scheme were dreamed up to finance the games kind be they held in Montreal, Vancouver or any other city. Let us get that straight.

I think the hon. member for York-Simcoe did an excellent job on the committee. But he was trapped. I realize he was trapped because a very prominent member of his party had pretty well committed them to what I think is a bad deal. As a matter of fact, his concluding remarks indicated that it was a bad deal and that they were going to attempt to make the best of it. The first response was to attack the irresponsibility of my party. I reject that, Mr. Speaker. What it exhibits to me is the well known psychological phenomenon associated with guilt, known as reversal formation—blame somebody else for your own problems.

● (1600)

The hon. member for York-Simcoe said that we have to accept reality. That sounds like a quotation from my words of February 6, but I no longer agree with that; and I tell you, Mr. Speaker, that some other places no longer agree with it either. Denver, Colorado, did not agree with the winter Olympics: the population turned it down. And it was not to cost $500 million or $750 million, but a mere $3½ million. That figure is pale in comparison with the amount we are considering. My party was the only one consistently to oppose this bill on second reading as vigorously and as vociferously as we could, and through committee as well. We intend to vote against it on third reading. I am only sorry that we were not here to vote against it in a standing vote on second reading.

My colleagues, members of the government and those members of the opposition who are locked in—they might as well be members of the government—on this issue have a right to ask why we oppose the bill. I will tell those hon. members why. I cannot help their embarrassment; that is their own problem and has nothing to do with me. I think it would be fair to say that our position on this matter is based on the following grounds. First of all, we take the position that if the Olympic games are worth funding at all, they are worth funding properly through an outright federal grant. If they are not worth funding that way, then they are not worth funding by any method, especially by a gimmicky, half-baked assortment of coins, stamps and lotteries.

When we spoke on February 6 we had no idea how the funding was to be done, nor had anybody else. Nobody knows, not even the President of the Treasury Board (Mr. Drury) or the Postmaster General (Mr. Ouellet). About 80 per cent of the Olympics is to be financed by this gimmick. We think that is ludicrous, patent nonsense. But 80 per cent of the Olympic financing depends on the coin scheme alone. Nothing has convinced me or my party that a deficit can be avoided.

The Prime Minister (Mr. Trudeau) has assured us that there will be no additional request for federal support. The mayor of Montreal and the Premier of Quebec have assured him of that. But if there is a deficit and the federal government does not pick it up, who does? The deficit will be borne by those Canadians who live in Montreal and Quebec, those people who by and large have an income of about half the national average but who have twice the

unemployment experienced in other provinces. We are going to ask those Canadians to pick up the deficit.

Some hon. Members: Shame.

Mr. Rose: My colleague says that we will do it eventually. I would rather do it now. If it is worth while, let us do it now; let us not get ourselves involved in this kind of nonsense. The analysts working for the President of the Treasury Board predicted at the committee hearings a deficit of $150 million to $170 million. At that time I asked the minister whose analysis he would be more inclined to accept, that of COJO or that of his own department. I think he is loyal to his staff; he replied that he preferred the response of his own officials.

We are committed to a downhill run with such momentum that it cannot be stopped. Well, Denver stopped it. I do not think the Olympics necessarily need be stopped, but I think we need a much better financing foundation. Members of the opposition are not reassured at all, but they are muzzled. They have the same misgivings they have always had, but they are committed.

According to the Postmaster General, this scheme contemplates the minting of $450 million worth of gold and silver coins over the next four years, roughly half of which are to be sold overseas. All the silver coins circulated in Canada since confederation have amounted to only $317 million, according to the master of the Mint. We are going to put all that extra coinage into circulation, which will mean the importation of 51 million troy ounces of silver in a world desperately short of silver for industrial purposes. We are going to make souvenir coins and thus bury the silver after we have spent time taking it out of the ground. This is legal tender which will go into circulation. It will cause trouble to everybody, including COJO. This is my first reservation.

My second reservation is that the priorities are all wrong. I am sorry that the hon. member for Témiscamingue has left the Chamber, because he made reference to something which I should like to correct. We feel that the spending priorities in this connection are all wrong. The amount involved is $500 million. Somebody will say it is really only $350 million, but the Germans started out at $152 million and ended up at $700 million. Also, on second reading the President of the Treasury Board said there could be some escalating costs over the four years, so I think $500 million is reasonably conservative. One per cent of $500 million—that is, $5 million—would build 100 community swimming pools in the city of Montreal for the youth whom the hon. member for Témiscamingue is so concerned about. They are desperately short of recreation facilities in Montreal and could use 100 outdoor pools, not necessarily of Olympic size. That is why we question the spending priorities.

I mentioned earlier that Mr. Drapeau and Mr. Bourassa would pick up the deficit. But how do we know that either of these hon. gentlemen will be in office in 1976? We have no assurance of that. These gentlemen are honourable in all ways, but we do not know whether they will still be in office in 1976. We are going to be asked to help with the deficit, and I for one want to help; make no mistake about that. Across the river is the city of Hull. For the last ten years that city has been trying to get an indoor swimming pool. The city officials recently cancelled a $12 million recreation complex on the ground that there is no money for it. They need $12 million. The Olympics want $500 million.

Let us for the moment forget about pollution, slums, traffic and problems such as providing plumbing and preventing illiteracy in Montreal. The point is that there is no money in the budget for the city of Hull. They go to the province and are told there is no money. They go to the federal government and are told there is no money. Other communities across the country are in the same difficulty. If they want to play ice hockey and ask for money to build a rink, they are told, sorry, but there is no money from the federal government; why not do it with volunteers? If they need a stadium for a track team, the answer is that there is no money. They go to Sports Canada who say, sorry, we are not in the business of capital financing; we can help with coaching, but not with money.

• (1610)

Yet we are to spend $500 million in this area. Why could we not spend $500 million to meet Canadian recreational needs, raising the money as the money for the Olympics is to be raised? Why should we not put out special coins in order to supply every community with recreational amenities such as stadiums, community pools and that sort of thing? But no, we do not do that because, we say, we do not have any money. That is nonsense.

Mr. Peters: What about hockey?

Mr. Rose: The hon. member for Timiskaming (Mr. Peters) has mentioned hockey. That is one of the sports at which we do well. Why? Is it because we spend a great deal of money on rinks? No. We are a northern country, and our kids skate on rivers and ponds. Yet in every community kids get up at four o'clock in the morning, with their coaches, because there is not enough ice time to allow them to play during the day. We lack these facilities. If we build stadiums, pools and tracks, I am sure that in ten years we could be as good at other Olympic sports as we are at hockey. That is why we question the kinds of priorities represented by this bill. We are fed up with this attitude of the government.

The Fitness and Amateur Sport Act has been in existence since 1962. Since that time some $60 million has been budgeted for the purpose of fitness and amateur sport in Canada. In the last ten years only half of the allocated budget has been taken up. Every year $5 million has been devoted to this area, which means that roughly $60 million could have been spent. Yet only about $30 million has been taken up. That being so, why is the allocation to be raised to $9.8 million this year? Some people are a bit cynical and suspicious about these things. The Fitness and Amateur Sport Act entitles the government to make special arrangements with certain provinces, so there may be more to this iceberg than the tip we see at the moment. I realize that is "insinnuendo".

An hon. Member: That's a good word; leave it in *Hansard*.

Mr. Rose: I meant insinuation. As well, we do not have all the necessary information. The President of the Trea-

sury Board assured us that each province would get its fair share of the $9.8 million, and I have no reason to doubt that. The act entitles the provinces to that. I suggest, however, that as one province may have entered into an agreement under this act, the other provinces may get their fair share—but perhaps not for several years. That amount may not be split right down the middle in any one year. I will leave it at that.

My third misgiving is this. We were denied information in committee. The hon. member for York-Simcoe made much of the NDP voting with the government against what I regard as the questionable political manoeuvre of bringing the Prime Minister before our committee. I do not know that the Prime Minister could have added a great deal. Of course, I would not have opposed his appearing if he had wanted to give us information. What troubled me was that only the Postmaster General, the master of the Mint, and the President of the Treasury Board were called as witnesses. Any moves for calling Mayor Drapeau, the Green Space people of Montreal, Bruce Kidd or other athletes who might be opposed to this bill were disallowed. We even moved to have the hon. member for High Park-Humber Valley (Mr. Jelinek) testify as an expert, but were not allowed to call him.

We wanted proper information and were prevented from getting it in committee. I do not know why. The thing is that the statement on motions had been made on February 6. Why did it take so long? Why did we need to wait from February 6 until the hot days of July before the committee could consider this bill? Why were we put on the block and bludgeoned into processing this bill? I do not know. Well, I do. It was getting warm, summer was here, and we were expected to get on with it. Yet motions for the appearance of witnesses were turned down uniformly by a coalition of Liberals and Conservatives on the committee. The motion by the hon. member for Scarborough East (Mr. Stackhouse) for limiting the number of coins that could be put into the pay envelopes of poorly-paid Montreal civic workers was turned down by the Liberals and Conservatives on the committee. I am not saying the Conservatives did not put forward good criticisms: they put forward excellent ones but did not back them up.

An hon. Member: They were in bed with the Liberals.

Mr. Rose: I am not worried about that; that is not my concern. They are a party of principle, and I wish they would back their convictions with their votes. I do not know what brought about the change of heart. I only know one thing, that the committee was absolutely deadlocked on Thursday two weeks ago. When we came back, by Tuesday night all the amendments went flying through. I do not know how it happened. I think the Conservatives were trying to make parliament work. Anyway, all the Conservative motions were passed.

The Conservatives tried to make a good deal this afternoon of their putting this and that through in committee, yet they did not ever question the principle of the bill. They took what I termed the cornflakes approach, accepting the prize in the cornflakes package. That was their approach to funding the Olympics. They were not against the bill. They limited the total expenditure package to $450 million and wanted to limit the income to $240 million. I do not know why they were interested in limiting the net returns on these sales.

Hon. members to my right will demand reports in future, and want to include in the bill what I term a 60-member review clause. They stole that idea from the Minister of Finance (Mr. Turner), who introduced it in connection with the corporations bill. Those hon. members know a lot about corporations. In any event, they did not really question the principle of the bill, and it is the principle that my party attempted to question. I want to make that clear.

We must not forget that we were told this scheme will not cost the federal government any money. Let me remind hon. members that the basic cost to Canadians, the seed money, if you like, to start this venture is $100 million. There is about $50 million for housing, $27 million for security and $25 million for broadcasting. If you add the seigniorage for $250 million which the government will not get from the sale of these coins, that brings you pretty close to $350 million. So don't suggest this will not cost us anything, because that is misleading. Such suggestions mislead the public and I think the public will wake up to this one of these days.

In the second reading debate my party was concerned, as were other hon. members, about the lack of concrete planning. The Postmaster General and the President of the Treasury Board admitted before the committee that they did not know how things would work out. They suggested that in the matter of the coins we are breaking new ground. They were in the dark and did not know what would happen. They are probably pushing on like lemmings, to be drowned in the sea of their own optimism. I do not mind so long as they do not take the Canadian people with them. I would object to that because it would be most unfair.

My party is concerned in case the Olympic village funded by Central Mortgage and Housing becomes a ghetto of the future. We know that at least 70,000 citizens of Montreal back the Green Space committee which sent in a petition objecting to the present location of the village. I know that Dr. Goldbloom, the municipal affairs minister of Quebec, is also concerned.

An hon. Member: They should fill a lake.

Mr. Rose: I don't know if they will fill a lake or chop an island in two. In any event, my party is also concerned about the $27 million worth of armed forces and police security which will turn Montreal into an armed camp for two weeks in 1976. The security personnel will not be there to protect us from the citizens of Montreal but they will be required, hon. members may agree, if they recall what happened in Munich and in Mexico City. Security forces are needed because people like the Black September gang use these large spectaculars to make some kind of point which their warped minds can understand but mine cannot. Hon. members know this will happen: They know the place will be an armed camp. We would be concerned about these things happening, whether the Olympics were being held in Vancouver, Toronto or Halifax. It does not have anything to do with the location; that is irrelevant. It is still a bad deal.

● (1620)

It has not escaped the notice of many members, including some members opposite, that leading editorial and sports writers have applauded the stand of the New Democratic Party. This is not confined to English language newspapers such as the *Globe and Mail* and the *Star*. It includes such prestigious French language journals as *La Presse* and *Le Devoir*. These editorials in themselves do not make the NDP position right. However, I think it is. Truth is not a matter of how many people believe in something. The fact that we have this type of support indicates that the stand we have taken, regardless of its linguistic overtones, is right.

I do not know how much time I have left. It is fair to ask what our party proposes as alternatives. There are basically two alternatives. We want a less expensive Olympics.

Some hon. Members: Hear, hear!

Mr. Rose: At the moment, there are perhaps only five cities in the world that could host an Olympics of this magnitude. This rules out many countries such as the developing countries of Africa and Asia. They cannot afford it. We would like a less extravagant Olympics. We are prepared to openly grant up to $200 million. We do not want it to be financed in the same way as paying off a church mortgage.

The second point is that, for reasons of security, we feel the Olympic games should be dispersed among the cities of central Canada such as Quebec City, Montreal, Ottawa and Toronto. Facilities already exist in these places. There are college campuses with dormitories and stadiums. It is not necessary to build a stadium costing $178 million which will only be for the benefit of the NFL or the Expos baseball team.

I regret we have to stand alone on this issue. There has been excellent criticism from the party to my right, and by the hon. member for Matane (Mr. De Bané). I am sorry the misgivings and criticisms voiced have gone virtually unheeded. I am sorry the hon. member for Matane could not get the help of his colleagues on this matter. This event will not do anything for the average citizen of Montreal. However, he will have to pay for it. He probably will not even attend the games. He will be able to watch it on television, but he could do that if they were located in outer Mongolia.

Companies will probably purchase tickets in large blocks to be given to their friends, as is the case with hockey games and the National Arts Centre. They give these tax free gifts to the boys for promotional purposes. The average Canadians will be lined up from the Ottawa River to Vancouver in an attempt to get tickets.

I share the hopes of many Liberals and Conservatives that I am dead wrong on this question. I hope I am dead wrong.

Mr. Stanfield: I just hope you are dead.

Mr. Rose: The Leader of the Opposition (Mr. Stanfield) is not serious in his hope for my instant mortality, or is it immortality? I certainly feel the same toward him. Maybe a few severe chest pains would help him see reality and how close we are to being involved in this ludicrous nonsense.

All Canadians were proud of Expo. I am sure they will be proud of the Olympic games. We agree on that. However, that is not the point. We do not like the method of funding the games. In spite of the Treasury Board's analysis, I hope the estimates of the President of the Treasury Board and the Postmaster General, who are sitting benignly surrounded by silver coins, are correct and mine are wrong. It would be a pleasure to hop out of my cozy bed and have my place taken by members of the official opposition on this: it would be a nice change.

For my efforts I have been called a racist and a bigot. An hon. member called me something else which is not parliamentary. These things may have some relevance, but I do not think anything in our record warrants that kind of appellation being applied to me or my party. I regret the government saw fit to include only Francophones on this committee. I think the linguistic overtones were enhanced by that decision, and I am sorry about it. Recently, the CBC took a poll with regard to the acceptance of the Montreal Olympics. It showed that 80 per cent of the people in the province of Quebec are in favour of the Olympics. When a second question was asked, whether they would be in favour of the Olympics if there was a deficit, 80 per cent were against.

I would love to have been in cabinet and overheard the discussions on this bill. I hope the optimist will be accurate and the pessimists will be wrong. If we are going to have the Olympics, we want them to be a success. We have outlined our objections in detail. I am sorry we did not have a more searching examination in committee. I am sorry we had to be dependent upon the gentlemen I mentioned earlier. However, I feel we have at last had some opportunity to examine this question and, on the basis of that examination, to expose its faults. On the basis of that examination we are voting against the bill.

[*Translation*]

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I will speak very briefly for fear of being unjustly accused of unduly delaying the passing of this bill.

Now that we are about to dispose of the motion that the bill on the 1976 Olympic Games be read the third time, we must not once again forget that since the end of the 1972 Munich Games the whole world, and especially the younger generation, have an appointment in Montreal in 1976. I would like the most incredulous of us to know that, in accordance with the spirit of the Olympic movement, many developing countries will be participating in the 1976 Games. We will see on the podium the greatest champions in all the disciplines and undoubtedly athletes from underprivileged nations who, because of their achievements and their long training, will find the required energy and courage to have faith in the building of their countries. And would it be only for them, the most sceptical among us should consider and reconsider their judgment about the opportunity and advisability of holding these Olympic Games.

As far as I am concerned, to reiterate what I stated clearly during the debate on second reading, I believe in the Olympic Games. I believe in the 1976 Montreal Olym-

pic Games and I cannot accept the pessimistic utterances of some NDP members.

I must say, Mr. Speaker, that we must commend however the Leader of the New Democratic Party (Mr. Lewis) who tacitly at least did not seem to endorse the views of some of his colleagues and did not readily yield to the temptation to disparage Montreal, its mayor, Quebec and the Olympic Games.

In the same breath, Mr. Speaker, I think it would be fair to single out the Leader of the Social Credit (Mr. Caouette) who this afternoon in an enthusiastic and vigorous speech expressed his deep feelings about the Olympic Games and has undoubtedly impressed all members by clearly saying what most of us believe at the bottom of our hearts.

Mr. Speaker, the 1976 games will leave in Montreal and throughout the country some new infrastructure components and more particularly a genuine infrastructure for amateur sport and physical fitness.

Because of the Games a stadium and related facilities will be built capable of accommodating in addition to the professional baseball, football, soccer, and other teams, record crowds coming from all corners of the world to participate in various conventions, world-wide rallies which will benefit the whole country.

Because of the Games and for the very benefit of its industrial and commercial institutions, or even for the benefit of any one of its levels of government, severely schooled in new challenges, Canada will have acquired modern techniques and human skills.

Because of the Games, and somewhat as a result and consequence of the 1967 World Exhibition, people or social groups from Panet Street in Montreal or Grande-Allée in Quebec City, from Matane or Saint-Hyacinthe, as well as Halifax or Vancouver will have taken a liking to opening up to the world and, as one could say, to having "windows fully opened on the world." They will have tried to make our problems, our inspirations known to others but also they will have learned to better appreciate the problems, inspirations and accomplishments of others and thanks to those international exchanges, a new spirit will evolve, a spirit that will inevitably have the effect of inspiring in its wake the development of elements of that new cultural, social and economic substructure and even the setting up of facilities likely to increase our means and add to the well-being of the community.

Because of the Games, Mr. Speaker, the people of Montreal who already have on Mount Royal one of the greatest natural green parks in the world will have recovered more than half of notorious ViaPark, the use of which, unfortunately, until now was restricted to a very few privileged people, who even at that had to be golfers. And perhaps here again, Mr. Speaker, the Games might have the consequential effect of increasing in Montreal and elsewhere in the country the number of green areas and above all the number of those who will truly want to use them for purposes of pure relaxation or as a place to do their physical fitness exercises.

● (1640)

Thanks to these games—and this is most important and certainly will be available to all citizens of our large country—a permanent substructure in the area of amateur sport and physical fitness will be set up throughout Canada. No doubt it will be from this long term result that we will be able to judge the opportunity and the wisdom of holding the Olympic Games in Canada in 1976.

Mr. Speaker, we live in a country where our professional sport is as much out of our control as our economy. I am convinced that with the representations made by our young people, the games of 1976 will force us, after the event to get out of this kind of amateurism of ours, in the area of amateur sport, an amateurism which is revealed by the absence of a real government policy on sports and spare time activities, by frictions in this area at the different provincial and federal jurisdiction levels, by the reluctance of the educational world, unfortunately by the lack of specialized instructors and highly qualified trainers.

Between now and 1976 the Games will at last give Canada as a whole the opportunity to discover a new kind of motivation and a reinforced determination to secure in the area of sports and spare time activities the qualified resources which will remain with us after 1976. These resources, strengthened by the fire of the olympic flame, will enable young people from Point St. Charles or from other districts in Montreal, who live in houses without running water or bathtub, or shower, or whose father is unemployed, to have other option than drug or the lane "macadam". They will be encouraged to throw themselves wholeheartedly into pole jumping, javelin throwing or what have you. Mr. Speaker, I want to say here that before 1976 and afterwards, we will have to combine our efforts at the different levels of government to solve the unemployment problem, to check the constant increase in the cost of living, in food prices in particular, pharmaceuticals, clothing and housing. We will have to ensure that every Canadian, in Montreal and elsewhere, enjoy normal health conditions and, on a broader scope, that they all have equal opportunities to develop in life. But—and everyone without exception will likely admit it—they were not matters brought forth by the spirit of Bill C-196 as such and which it could solve or had to solve. For once, Mr. Speaker, politics can serve sport instead of using it. Therefore, I urge all my colleagues to grasp this occasion firmly.

Given the 1976 Games, and this Bill C-196, let politics have a chance to serve sports. It can and must serve them, especially considering the fact that amateur sports, and even more so the Olympic Games, have a bearing on all the great problems that condition the future of our civilization: youth, the use of leisure, urbanization, environment and even medical research.

There is no doubt that resounding lessons, that will benefit all Canadians, will be learned because the Olympic Games will be held in Canada. Mr. Speaker, the social impact of the 1976 Games, a few aspects of which I have just pointed out, deserves our attention, but we should not forget their economic impact as well, which will be measured mainly by the increased flow of tourists throughout the country, not only while the Games are being held but long afterwards.

These are arguments that reach much farther that national pride and international prestige. Those are arguments which, I am convinced, will stir in all Canadians a feeling of solidarity with the 1976 Games, and in that feeling of solidarity, the will to contribute to their success.

Commemorative coins, stamps, a national lottery, will all be as many opportunities for Canadians to say "yes", according to each individual's possibilities, to the 1976 Olympic Games. First, the promoters, then the Canadian people, must discharge their very special responsibility, that of proving to the world that from here on, the Olympic Games will be financially within the reach of the developing countries, whether they be African or Latin American.

In the course of the debate on second reading, as well as in a committee, during the exchanges of information and the introduction of amendments, everybody managed to throw light on and define this bill. Now, on third reading, I have no doubt that in every part of the nation, regardless of political affiliations, through their constant interest, and interventions, hon. members who represent those areas, who represent those political parties, hear testimony today to the national and truly Pan Canadian responsibility of the 1976 Games.

Let us make sure, Mr. Speaker, that once this legislation is passed, it will not become the sole responsibility of the present government, but that of Parliament as a whole and, consequently, let us be in our constituencies the promoters of the 1976 Games for the Canadian people.

Let us inform our constituents of the national challenge of 1976, of the costs of such a challenge, but also of the real and already anticipated benefits. Mr. Speaker, all Canadians, regardless of their province, their mother tongue and their culture, should be proud, as they are, I believe, to see their country be in 1976, the host and the crossroad of a world event which is essentially peaceful.

● (1650)

Mr. Roch La Salle (Joliette): Mr. Speaker, I make it a point to express a few thoughts on third reading of this very important bill. Since I have always taken an interest in recreational activities, I did not want to miss this opportunity to make a few comments.

On second reading, I have had the opportunity, as a good many other members, to make some comments on the bill designed to finance the Olympic Games of 1976 and, I regretted, of course, the mitigated part taken by the government. I would have hoped that, considering the national character of the games and the national and international participation in these games, Canadians would not hesitate to take the risk of making some profit or incurring deficits, and I realize at the stage of the third reading that while we are considering the possibility of financing the games, we are very careful not to commit ourselves in the event financial problems arise.

Once again, Mr. Speaker, I say, as the hon. member for Saint-Hyacinthe (Mr. Wagner) pointed out earlier, if politics serve sports, perhaps the political context badly serves COJO. I was very pleased to hear the comments of the hon. member for Saint-Hyacinthe, and I do not question for a moment his interest in the success of these games, not only for the benefit of the province of Quebec but also for that of all participants, in whatever capacity they act, as spectators or as amateurs.

[Mr. Wagner.]

But I said that the political context could ill serve the interests and the possibilities of success of COJO because we know perfectly well that the government, on the one hand, found it a little embarrassing to open wide its doors to provide more assistance and, on the other, we also know that certain political parties are opposing it for other reasons, in attempting to shift the problem or in assuring themselves that Canadians will not have to pay a penny more that what the bill provides.

But we agree and we accept and we boast to whoever wants to listen that these events will be beneficial, which also constitutes a commitment, I think, by all Canadians, if we recognize—and we all do—the national character of the Olympic Games of 1976.

It is obvious, Mr. Speaker, that there has been talks between the Prime Minister (Mr. Trudeau) and Mayor Drapeau of Montreal. It is also obvious that, after the elections held last October, it was embarrassing for the government to do more than it does.

It is also obvious that, unfortunately, political interests often take precedence over the interests of society. This has led the hon. member for High Park-Humber Valley (Mr. Jelinek) to say yesterday, on behalf of his party, that he would accept no other financial obligation than those described in the bill before us.

So, I think that, politically speaking, we are trying to protect some regions which would be less favourable than others to these Olympic Games, while we are showing eagerness in saying that those events are a national feature, and since we recognize it, we have to take part in those events and commit ourselves as Canadians.

I certainly deplore the position of the New Democratic Party which persisted in shifting its ground when maintaining that if all those millions were earmarked for housing, sewer services, infrastructures of all kinds, it would readily endorse the bill. We know perfectly well that the Olympic Games will take place, as other members were saying a moment ago, and that there still will be some problems in that area.

Some people are suggesting that the games will be a two-week affair, and that the millions involved are an unacceptable expense for Canadians, particularly if ever Quebecers had to shoulder a deficit as foreseen by the government.

Mr. Speaker, I do not think we solved the issue by shifting the problem. On the contrary, these social or economic problems exist and will continue to exist but it will become possible to do more in the field of leisure as the Olympic Games will arouse a motivation which will last much longer than the two weeks of the games. Some regional and provincial leisure organizations are already in operation. The federation of leisure organization will operate better than ever and after the olympic events these structures will continue to operate. I think it is an advantage and an honour for Canada to host the games. As Canada is a relatively young country compared with others, I think it will achieve remarkable success as it will have made sensitized not only the federal government but

also provincial governments, municipal organizations and municipalities themselves deeply aware of amateur sports.

Municipalities complain about the lack of necessary institutions, the lack of basic tools, the lack of educators, instructors and trainers. I think the motivation that young and also older people are already getting will prompt to vote the funds which will enable Canadians to improve their physical fitness.

We know the importance of being physically apt in our society today.

Mr. Speaker, no doubt that even if this bill is limited to the financing of the games, quite contradictory views have been expressed in committee and at the second and third reading stages. To come back to the position taken by the New Democratic Party, I do not want to forget the statement made by the hon. member for Fraser Valley West (Mr. Rose) following the announcement by the Prime Minister (Mr. Trudeau) about the involvement of the Federal government. Mention was made of it yesterday and I think that it is worth repeating. He said, and I quote:

—my party welcomes the statement by the Prime Minister (Mr. Trudeau) today in which he took some trouble to outline the parameters of federal involvement in Canada's first Olympic games. We wish our first Olympic games every possible success as a potentially great moment in the history of our nation.

Since then, we have heard quite different stories. However, I am not at all surprised by the NDP's new position, considering that since last January 4, that party has often changed its mind and made sure that this legislation which might embarrass the government is adopted. I would even go so far as to say that if the Progressive Conservative Party was against this bill, the New Democratic Party would be for it. Mr. Speaker, I do not think that Canadians who have seen members of that party at work since the beginning of the session are very much impressed by their statements.

I regret that they tried to put Mayor Drapeau on trial or tarnish his reputation concerning his administration, because I feel that several political parties would have liked to be able to count on such a popular man with tremendous achievements to his credit. Of course, some people in Montreal will complain about not having such and such a service, but I think that Mayor Drapeau has done one extraordinary thing for Montreal: he put that city on the map so that is better known throughout the world, and the participation that we will witness in 1976 will be beneficial not only to Montreal, but also to all Canadian cities. We will be welcoming important visitors and I think that the economic impact will be worthwhile, because there will be opportunities of inviting people from abroad to come and visit us, and they will leave something as was the case with Expo '67.

Before concluding I would like to talk about the deficit which the government expected. Even if some members of COJO are rather optimistic towards the possibility of a deficit, nevertheless the responsibility of Quebecers should not be ignored. I think we should especially consider that such a situation could occur.

We know the present context and position of Quebec within Canada. Let us imagine for a moment that there will be a deficit and that Quebecers and Montrealers would be solely responsible for it.

Oddly enough, in the committee last week limits were put on the possibility of—

The Acting Speaker (Mr. Laniel): Order. I regret but I must interrupt the hon. member.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Scarborough East (Mr. Stackhouse)—Air Transport—Suggested provision of shuttle service between Toronto-Montreal and Toronto-Ottawa; the hon. member for Kootenay West (Mr. Harding)—Exhibitions—Expo '74, Spokane, Washington—Reason for failure of Canada to have pavilion; the hon. member for Rimouski (Mr. Allard)—Canadian National—Quebec—Bilingualism among passenger service employees.

[*English*]

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

● (1700)

Mr. Reid: Mr. Speaker, there have been discussions through the usual channels and I think there is agreement to deal with notices of motions for the production of papers. If that is agreeable, we would call No. 79 standing in the name of the hon. member for Bellechasse (Mr. Lambert). I understand that the hon. member for Abitibi (Mr. Laprise) wishes to move it on his behalf.

The Acting Speaker (Mr. Laniel): Hon. members have heard the suggestion made by the parliamentary secretary. Is this agreed by unanimous consent?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

[*Translation*]

REGIONAL ECONOMIC EXPANSION

LOAN OFFER TO THE NEWSPAPER "LE SOLEIL" OF QUEBEC

Mr. Gérard Laprise (Abitibi), for Mr. Adrien Lambert (Bellechasse), moved:

That an Order of the House do issue for copies of the contract and all documents relating to a grant by the Department of

Regional Economic Expansion to the newspaper *Le Soleil* of Quebec.

Mr. Speaker, I wish to thank all my hon. colleagues very sincerely for allowing me to move this motion on behalf of the hon. member for Bellechasse (Mr. Lambert) who had to attend the funerals of one of his brothers, and I take this opportunity to offer him my most heartfelt sympathy.

The motion now before us which I had the honour to move on behalf of the hon. member for Bellechasse has been on the Order Paper since February 21, 1973. It asks that the House order the ministry to issue all the documents relating to a grant offer which has reportedly been made by the Minister of Regional Economic Expansion to the Corporation du journal *Le Soleil* of Quebec City. As this is a motion of public interest, I hope that I shall be supported by all my colleagues, so that the motion may be carried before 6 o'clock.

Mr. Speaker, it is neither on a sudden impulse that we are requesting the issue of these documents nor to satisfy our own curiosity. On the contrary, we aim at enlightening the Canadian people as to the way appropriations which are made available to the various departments are being used.

During recent days, through the President of the Privy Council (Mr. MacEachen) who made a long statement in the House and through the tabling of a green paper on conflicts of interest of ministers and members of Parliament, the government has tried to reassure the public concerning the honesty of ministers and members of Parliament who are responsible for the administration of public funds.

The government also tried to inform the public about the measures it intends to take to ensure the independence of its members against the economic dictatorship which exerts increasing pressures upon the political power, both at the legislative and executive level.

Lastly, the Prime Minister (Mr. Trudeau) made a long statement in which he put before Parliament the measures he intends to have accepted in order to prevent conflicts of interest.

Under the rules governing this House, hon. members are given extraordinary privileges based upon the principle of democracy. Among those privileges, there is the right for every member to control funds made available to the various departments of which the minister is responsible to Parliament. Consequently, it is reasonable and normal for a minister to reply to an enquiry made by a member. One may reply that the government set out criteria for the production of such papers that were published on March 15th, 1973. The general principle of those criteria is the following:

General Principle

To enable Members of Parliament to secure factual information about the operations of government to carry out their parliamentary duties and to make public as much factual information as possible consistant with effective administration, the protection of the security of the state, rights to privacy and other such matters, government papers, documents and consultant reports should be produced on Notice of Motion for the Production of Papers unless falling within the categories outlined below in which case an exemption is to be claimed from production.

[Mr. Laprise.]

Following that, we find a list of exemptions which I will not read entirely, with the permission of the House. However, I should like to quote section No. 10.

Papers relating to negotiations leading up to a contract until the contract has been executed or the negotiations have been concluded.

That means that the papers could not be tabled as long as negotiations leading up to a contract have not been concluded. In the present case, which is mentioned in the motion, section 10 does not apply, since it is not a matter of pending negotiations prior to a contract. On the contrary, the negotiations ended a long time ago, the agreement was signed and the subsidy granted, since it was the topic of the article published in all the newspapers.

The Department of Regional Economic Expansion was set up by an act of Parliament. Regulations governing the application of that legislation were drawn by senior officials. This department's purpose is to encourage regional economic development by granting special advantages to industries through loans or subsidies. Subsidies can be offered to manufacturing or processing industries which set up, enlarge or modernize their plants in designated areas, or special areas.

Most manufacturing and processing industries are eligible for subsidies except oil refineries, industries transforming minerals into concentrates, and pulp and paper industries.

● (1710)

However, it is stipulated that in some "special areas" subsidies can be granted to industries that are not eligible under the terms of the regional development incentives program. Was that rule applied in the case of *Le Soleil* mentioned in the motion?

Can printing be considered as a manufacturing or processing operation? If the answer is yes, why can the same not be said of milling industries, which use all types of grains and other products and transform them into cubed feed? Recognizing that grants can be made to a newspaper—whether it be *Le Soleil* of Quebec or any other—while refusing to grant them to milling enterprises, constitute to my mind a most serious weakness which should be remedied right away.

This reminds me of the case of the Meunerie coopérative de Saint-François, which was destroyed by fire. Members of the co-operative have decided to rebuild the millstone factory and to modernize their industry. Eleven jobs have thus been created, but that firm could not benefit from any grant from the Department.

If by subsidizing newspapers we in fact help them to get better organized in order to provide the public with a better quality information and to free them from the obligation to accept any kind of dangerous advertising which gives our children a bad orientation and causes a lot of concern to parents and the authorities in general, at least the government will have a valid argument to justify his policy.

What we are asking for through this motion is simply some information. And as representatives elected by the people and members of Parliament, which is after all the highest authority in this country, it seems that we have a

right to know in detail the arrangements which have been reached concerning the subsidies granted by the executive.

Who will monitor the way in which the taxpayer's money is spent if the government refuses to answer the inquiries of members of this House?

It will be perhaps answered that the Auditor General is responsible for that. I agree; however, my hon. colleagues know quite well that in the last few years the reports of the auditor have been quite severe, but did the government take them into account?

In the notes of the last report of the Auditor General one can read at paragraph 107: "Shared costs under a development contract not verified. Basic documents not released."

Mr. Speaker, even the Auditor General complains about a lack of information due to the unavailability of basic documents.

At page 91 of his last report the Auditor General states in his remarks on the use of funds allocated to local initiative projects, and I quote:

1. Extensions to the Program from May 31 to June 16, to September 30 and then to November 30, 1972, substantially altered it from a winter job-creating program to one of continuing employment aid.

2. Contributions were made to projects in circumstances where improvements to privately-owned property were being financed in whole or in part from funds provided under the Program.

And at paragraph 5 one can read:

5. Some project workers were self-employed, such as farmers and fishermen, while others were full-time students. Several instances were noted where individuals received wages from projects while employed elsewhere on a full-time basis.

Mr. Speaker, all this to say that in addition to the Auditor General the official opposition has an important role to play not only at the legislative level but also at the administrative level.

The Prime Minister himself one day stressed the value of a good parliamentary opposition. He noted the increasing complexity of the business of the state and the difficulties facing conscientious members as well as the necessity of modernizing the way in which the House of Commons deals with the business of the state.

I know the parliamentary secretary who will be rising on the subject will talk about the importance of preserving and respecting the confidential nature of corporate relationships with the various departments.

However, while trusting the executive, the fact remains that the whole thing is administered by human beings who are subject to errors; that is why it is important for our democracy that the opposition be enabled to discharge its duty. This is also the reason why the procedure is to the effect that, in some cases, members are entitled to move motions to demand the production of papers.

In a way, the government has created another department by establishing an agency called Information Canada. It is a necessary agency which will surely be helpful to the Canadian people, if it discharges its duty in an suitable manner.

Must we now create another agency for the information of members of Parliament? I hope not! That is why, on behalf of the hon. member for Bellechasse, I ask for concurrence in this motion.

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I would like to point out the quite remarkable tenacity of the members of the Social Credit Party of Canada. This is the third motion of this kind moved in the House under similar circumstances.

They are of course still dissatisfied with the government's position. This is why I wish to reiterate certain points which perhaps have not been sufficiently clarified by previous interventions.

First, the government's reply is quite clear. If the documents which are demanded or at least requested are not produced it is not to deprive the opposition of an opportunity to review the merits of the grant but because of a question of privilege.

As indicated in the past, and as so competently emphasized by the member for Abitibi (M. Laprise), when an invitation is made to certain applicants, that is to say corporations or individuals interested in benefiting from the program which has been developed, it is understood that any information supplied to the department will be considered confidential.

Indeed it is indicated in the documentation gathered by the parties that the government undertakes to keep as confidential all information supplied and everyone will agree this is justified.

We must admit—and I am convinced that this is recognized by members of the Social Credit—that we still live in a country where capitalism is most important and, in fact, is the basis of our economic system. They will also admit that in our commercial exchanges, we have always accepted the necessity of maintaining discretion and keeping for ourselves the information exchanged between the parties. If the department is to discharge its duties as responsible department, it will have to obtain all available information to make its choice and take the right decision. Therefore it must be fully informed. To obtain this information the department must guarantee to the applicant that it will be kept confidential.

The same thing will happen when the member for Abitibi will see his banker and ask him to lend him some money or grant him some financial advantage. He would not like the banker to begin spreading here and there the information provided to him.

Someone argued that the member must have the information and that it must be given to him. But we use some procedures; the estimates have been mentioned, how they must be reviewed and dealt with.

Mr. Speaker, we have just completed the consideration of the government estimates.

● (1720)

The Social Credit Party of Canada is entitled to go to the committee on regional development to consider the estimates of that department. It rests with its members to obtain information, if there is an issue to be raised, that is any indication that in the approval of an application something was not entirely right.

There are advantages. Previously, the Creditist member may have had difficulties, since the estimates were considered in the House, but thanks to the amendments to the Standing Orders of the House, the review of those estimates has been transferred to the various committees and necessarily, if anything has brought up questions to the member's mind, he might have inquired during the consideration of the estimates.

In addition, he points out that his notice of motion has been on the order paper since February 21. We have had since that date the opportunity to examine the estimates of the department. The hon. member could have then delved into the matter that interested him in view of the fact that he introduced his motion in the House through private members business.

Mr. Speaker, the hon. member for Abitibi (Mr. Laprise) mentioned he was proud that the department was created and that he hoped it would expand. If he really did he sould make sure that all people who submit an application to the department are protected and that the information they will provide will be held in strict confidence. On the other hand, if the objective of the hon. member for Bellechasse (Mr. Lambert), as presented by the hon. member for Abitibi, is to obtain or require some information I can assure him that he will obtain almost unlimited co-operation from the department.

Mr. Speaker, I would like to mention a case which, to my knowledge, has been a great help to my constituents: I obtained on request, with the co-operation of the department, that a seminar should be held in my riding to inform the merchants of the benefits available to them through the Department of Regional Economic Expansion and according to the reports I read, the officials did a good job and they provided all the essential information required to complete the applications. But, at that time it was clearly stated, with the public's approval, that all this information was held in the strictest confidence to the satisfaction of the people concerned.

Mr. Speaker, I would also like to mention that the department has deemed it advisable, for sometime, to table in the House a monthly report which outlines the government's policy concerning the point raised by the hon. member. The table of contents of the report for April 1973 which I have at hand gives an idea of the report. Part I gives summary statistics. Part 2 deals with incentives grant activity during the month, detailing all grants. Part 3 deals with loan guarantee activity during the month and Part 4, with definitions.

Mr. Speaker, if I may, I would like to quote the third paragraph on page 2 of the *Report on Regional Development Incentives* of April 1973. I understand that this paragraph is reproduced in all the reports. It reads, and I quote:

> The purpose of this monthly report is to provide Parliament and the general public with up-to-date information on the operation of the regional development incentives program. The report contains summary statistics on administrative actions taken from the inception of the program until the end of the month in question, together with listings of essential facts pertaining to each offer of incentive assistance accepted during that month.

Mr. Speaker, this report contains, in fact, all the information that can be given. I also note, on page 5 of the same report, another part which could be of help to hon. members. I quote from the introduction of the report the following:

> In conclusion, it should be noted that applications for incentive assistance and supporting documentation contain a large amount of information that must be regarded as commercially confidential. It is for this reason that, as a matter of policy, the department is unable to make public certain types of data. It is for the same reason that the department does not reveal the fact that a particular application has been received unless and until it results in an accepted offer of incentive assistance. This policy is, of course, consistent with the aims and objectives of the program, which is designed to encourage investment in the designated regions and special areas of Canada.

Obviously, Mr. Speaker, in several cases the applicant must give the department information which could indicate a certain weakness as compared with his own competitors. Of course, if they want to encourage this applicant to call on the department in order to remedy and eliminate regional disparities, they must assure him that in fact they will not reveal information which will be given to the department.

Mr. Speaker, I would simply like to deal with a point which has been raised earlier by the hon. member for Abitibi, namely the question of the Auditor General, in order to add to the argument I put forward when I said that the hon. member had access to the committee which reviews the DREE estimates. He also has access to the committee which reviews the estimates of the Auditor General, and when the report indicates that some expenditures were not administratively justified, he can still pursue his investigation by asking the Auditor General, when he appears before the committee, for additional information.

The member for Abitibi also drew the attention of the House—

An hon. Member: The honourable!

Mr. Blais: Yes, I should have said the honourable member. I apologize.

The notice of motion of March 15, which was printed as Appendix "B" to *Hansard* clearly states the general principle which justifies or, at least, determines the criterion that governs Parliament, members of the House and the ministers as to the production of documents.

Then exceptions are given. Nevertheless he did not quote a paragraph I consider as very important, and he should do so, and I draw his attention to this document. Paragraph 16 reads as follows:

> 16. Papers requested, submitted or received in confidence by the government from sources outside the government.

This is the exact paragraph which applies to the case before us.

● (1730)

Undoubtedly the documents in question have been confidentially requested, submitted or received and it is on the basis of this principle that the government feels it is justified in refusing to produce them. Some other paragraphs could also be applied and I would draw the attention of the House on paragraph 14 which reads as follows:

> 14. Papers that are private or confidential and not of a public or official character.

I wonder what could be more confidential than documents of economic or financial nature and related to the communications between the applicant and the government which tries to help him. Thus, paragraph 12 reads as follows:

12. Cabinet documents and those documents which include a Privy Council confidence.

I also think that this definition would directly cover this case.

Paragraph 5 reads as follows and I quote:

5. Papers containing information, the release of which would allow or result in direct personal financial gain or loss by a person or a group of persons.

I am quoting this paragraph so as to again justify what I said earlier for the benefit of the hon. member.

In fact, some pieces of information might be used by competitors or suppliers who could take over the applicant's market thanks to their awareness of a possible economic weakness of the applicant.

Mr. Speaker, I would also like to indicate that I am very interested by that as well as the development of the program, and I am very interested in not allowing the passage of legislation which could make it less effective because my riding is eligible for grants

And as a matter of fact my riding benefitted from that program and it was never my intention to examine the accounts and the history of those companies to determine why they applied, in what circumstances and what were the conditions attached to those grants made by the government. I was satisfied that the grants were made, that the choice was judicious and that the operations of some companies increased and that they were set up through grants made available to them.

Mr. Speaker, I recognize that we are dealing with a new legislation and a new program. The minister recently announced that he would see to it that over 70 per cent of his administrative staff is sent to affected areas because he wants to obtain all the information that could be useful.

It goes without saying, Mr. Speaker, that with that information decisions will be even more effective and fruitful. And I urge the hon. member for Abitibi to gather as much information as possible if he has any reason to believe that a decision was improperly made and to bring that information to the attention of the House. Furthermore, I am convinced that a study will be made on the criteria on which that decision rested.

Mr. Speaker, that is far from the request made by the hon. member calling for the production of all papers relating to a grant which was made in the past. That would be creating a very dangerous precedent. Why? Because, by providing non the hon. member for Abitibi with this information, it would mean that any information could be required at any time. This is what is dangerous because it means that any information that is provided with the assurance that it will be kept secret, will have to be made available to hon. members who request it.

Now, Mr. Speaker, this would directly—

The Acting Speaker (Mr. Laniel): Order. i regret having to interrupt the hon. member, but his time is up.

Regional Economic Expansion

Mr. André Fortin (Lotbinière): Mr.Speaker, following the hon. members for Abitibi (Mr. Laprise) and for Bellechasse (Mr. Lambert), I have supported this motion for papers. I do not intend to speak at length because we sincerely hope to end the debate before six o'clock in order to get the requested papers.

I would not like to do like the hon. member for Nipissing (Mr. Blais) who skated all around without tackling it, in the hope of getting as near as possible to six o'clock in order to kill the motion.

The first duty of a member of this House, regardless of his party, is to try and get enough information to enable him to check the administration of the executive. The duty of the legislator, of the legislative system, of the House of Commons, is to check everything, if possible, and with the means available to us, including the device of motions for papers, to check the administration of the government.

Mr. Speaker, I should only like to deal with a few points made by the hon. member for Nipissing in order to convince him ot perform his real duty as a member and to grant his colleagues the privilege,—which is no longer a privilege—the possibility to obtain papers.

What the hon. member for Bellechasse is requesting and what we are requesting with him is, and I quote:

That an Order of the House do issue for copies of the contract and all documents relating to a grant by the Department of Regional Economic Expansion to the newspaper *Le Soleil* of Quebec.

Mr. Speaker, to summarize the discussion, the primary reason for this request, which was very well explained by the hon. member for Abitibi is as follows: we find in our municipalities, in our ridings—and I have no doubt there are some in the Nipissing riding also—a certain type of industries, among others for example, the flour mills which also ask for subsidies in order to create new jobs in a developing area, and they are denied all subsidies on the pretext that they do not process any commodity.

And, Mr. Speaker, according to the information we and the hon. member for Bellechasse have, the daily *Le Soleil*, not because it is *Le Soleil*, it could just as well have been *Le Droit*, *Le Devoir* or *La Presse* or any other paper—asked for a subsidy which we are told has been granted.

We would like to know, Mr. Speaker, how these negotiations have been carried out so that the Department of Regional Economic Expansion recognize that a newspaper industry processes material, while an industry which also does a processing job is refused any subsidy even if the latter would be accepted under all other requirements.

Mr. Speaker, refusing these documents is depriving the hon. member and the Canadian people from their privileges if, given the motives of the hon. member for Nipissing, pretending to protect the competition—and I fully agree with him—to protect individual interests of a particular company, to encourage the development of a specific region, they refuse to release certain information. Mr. Speaker, how can we encourage development in a specific area, in Bellechasse, Lotbinière, Abitibi or Nipissing, if the other companies do not know how to make the Department of Regional Economic Expansion understand that they too are doing some processing.

On what criteria does the department differentiate a company that does some processing from another one that does not? On what criteria? On what the minister tells us? On what we are told in committee?

Mr. Speaker, the hon. member for Nipissing is honest enough, I know he is, to agree with me that at the committee level, things do not go as far as he pretended, and that even the Auditor General of Canada, who has been so aptly quoted by the hon. member for Abitibi, does not have the documents which could meet the members' needs.

What is the role of the Auditor General, named directly by Parliament, if it is not to represent all members and investigate the finances and the administration in all departments.

Now, Mr. Speaker, if the Auditor General finds it impossible, to get the required documents in the case of a grant to a company or another, then how can one agree with the hon. member for Nipissing and say that we should be satisfied with what we are being told, with what is being thrown at us.

I would like to raise another argument which he used to try and convince him if I can: he gave the example—and I was quite surprised—of the honourable member for Abitibi who goes to a banker, to the Caisse populaire, and who would like his financial transactions not to be disclosed.

Mr. Speaker, this is not the point! The honourable member for Nipissing and his colleagues should distinguish between private and public funds. When a Caisse populaire—and this is for the information of the honourable member for Nipissing—grants a loan to one of its members, it is lending private funds. But when the department of Regional Economic Expansion makes a grant, whether it be to the Quebec newspaper *Le Soleil,* IBM corporation or any other company in his constituency or mine, the department is making as many grants in the creditist ridings as in the liberal ridings—it is public funds distributed in the form of grants.

Therefore, the people's representative have the right and not just the privilege, to know how this money is spent, why the beneficiaries have invested it and all about this operation.

It is precisely for this positive purpose to help other industrialists and other corporations to invest more and create employment that we want to know the reasons for this investment in the Quebec newspaper *Le Soleil;* we do welcome it and we would like this experience to be repeated not only with newspapers but in other specific fields more in accordance with Qudbec's reality.

Finally, I am led to believe that the reasons advanced to reject a motion for the production of papers which is however quite simple, are the following: did the government invest in such corporation and, if so, under what terms?

That does not disturb absolutely no one, and it is the money of the people from Lotbinière, Bellechasse, Abitibi, Richmond and everywhere that is invested there, Mr. Chairman, I wonder whether, all things considered, it is not indirectly a question of patronage.

If there is nothing to hide, it if is perfectly honest, I cannot understand why one would go through such trouble, Mr. Chairman, to beat around the bush, in order to turn down a motion which is after all very simple.

If there is something to hide, then it is quite normal that they should not want to disclose such information, but if everything is above board, as I hope it is, if the investments have all been sound, Mr. Chairman, I cannot see why we should not know about them.

And I will conclude with an example: The federal government, through the Department of Economic Regional Expansion, did grant in the past a subsidy to the Manic Company, in Granby, and we know that that company went bankrupt shortly after.

Mr. Chairman, that is an unfortunate experience, the Department of Regional Economic Expansion cannot always make good investments. We understand that. However, Mr. Chairman, it is our duty as members of Parliament, to know why that has happened, to know about the circumstances, to see whether or not serious studies were undertaken before such investment was made or such grant was approved.

Mr. Chairman, to the extent that it pertains to an unfortunate experience of the Department of Regional Economic Expansion, it seems to me that, as a positive approach my colleagues should agreed to this motion for production of papers, in order to know whether an investment such as the one made to the newspaper *Le Soleil* of Quebec could not be made also to other related, similar or different industries in our respective constituencies, as for instance to the flour mills.

That is why, Mr. Chairman, I strongly urge my colleagues and members from other parties to discharge their duty as members in a functional and effective manner, jointly and severally by asking the government to tell us exactly where the people's money goes.

When a taxpayer invests one dollar in his country by way of direct or indirect taxes, he expects, Mr. Speaker, that the government will not waste this money and that it will be invested in a profitable way. He also expects when he votes, that his representative in this House will serve as an intermediary between him and the government to check on the management of this tax dollar.

Mr. Speaker, that is precisely the role which we play and I cannot see how the hon. member from Nipissing (Mr. Blais) could blame us for fulfilling this role, while he protects the government and seems to want to hide things. As to us, we have nothing to hide, we only want to protect the people.

[*English*]

Mr. Jim Fleming (York West): Mr. Speaker, on rising to speak on the merits of this motion I hesitate to follow either of the two hon. members who immediately preceded me. Each has discussed the aspects involved extensively from his point of view.

I should like, however, to make several points. On the surface, certainly, I can see the merits of a motion such as the one before us. It involves a newpaper which has an obvious influence on the public. It plays a role in judging public issues and has an influence, also, on politics. This paper finds itself receiving moneys through a program which is being run by the federal government. In these

circumstances, why, indeed, should we not produce this information if there is nothing to worry about, if there is no patronage involved.

That is a point to be considered, but I think there is an even more important principle involved here. It is the right of an individual or company not to be prejudiced by the revelation of information which might be injurious. In this instance a newspaper has received a grant and encounters criticism for doing so. Some members of the House would like to know the details respecting that grant.

It could be said in this chamber that by refusing to give these details we leave ourselves open to allegations of patronage. I say, however, that the very fact the government is not anxious to give these details is proof we have a viable reason for not doing so. Surely, if we are willing to stand up to a line of criticism which can be advanced with great strength by members of other parties and by that portion of the press which is in competition with *Le Soleil*, it cannot be argued that the government which I support is not being very brave in taking its present stance.

The opposition may accuse us of patronage and, perhaps, make political ground as a result. Yet we stand firm on our position. I suggest we are taking our present attitude for one main reason: If the information were made public in this one case, it would have to be done in every case. We cannot give all the details with respect to one DREE grant while refusing similar information with respect to any other organization receiving grants under this program. To proceed in such a way would result in the failure, I suggest, of the whole program—one of the most important programs initiated by the government.

The object of these grants is not to make companies wealthy. They are intended to assist them in maintaining business when their operations are in jeopardy, to help them to expand, where possible, when a reasonable request is received, but, at any rate, to continue in existence, to maintain the amount of employment they normally provide, and, hopefully, to provide additional jobs. To provide such information as the hon. member requests would prove disastrous to any grant program where the confidentiality of personal and other information is vital to the success of the organization concerned.

The officials of the department are certainly willing to discuss the case of *Le Soleil* with the hon. member who brought forward this motion. They maintain they are completely satisfied that there is real need in this case. If hon. members accept my general argument that a company is likely to be prejudiced in its operations by the disclosure of information of the type now demanded, does this argument not apply with even greater force to companies which find themselves in difficulty and which, because of those very circumstances, feel they must call upon an agency of government for assistance?

I understand that the dealings of the department with *Le Soleil* were conducted on the basis that the operation of a commercial printing undertaking was involved. Those of us who are in politics are well aware that the section of the information media concerned with printing is under serious pressure. In fact, its very existence is in question. In my own area of metropolitan Toronto we have seen a major newspaper fold. We have seen newspapers go under in New York City and other large United States urban centres. Those newspapers which are staying alive, those which I know of—and I have some experience in the media—are succeeding in doing so, except in very few extremely successful cases, by diversifying their operations. The most obvious way to diversify is to run a commercial printing operation by means of which a company can acquire stability or gain revenue independent of what may happen on the circulation side.

According to my understanding, the application made by *Le Soleil* was on those grounds: it was connected with their printing operation and designed to enable them to continue, something which would not be possible if they had not received this money. If a question should be raised as to the general policy followed by DREE in terms of assisting operations of this kind, may I say I have here a list of 97 different commercial printing operations across Canada which have received such assistance. This includes, for instance, Canadian Publishers of Winnipeg, Hignell Printing Limited of Winnipeg, Duha Printers of Winnipeg. The *Stovell Advocate* of Winnipeg also received a grant, and the name suggests to me that its operations might be compared with those of *Le Soleil*, the subject of the motion before us.

● (1750)

Let me make a further point about the difficulties faced by *Le Soleil*. Revealing the private business of any company seeking assistance would lead to the argument that all of us have probably faced here during private members' hour. We have all heard the argument on previous occasions on other motions, not just those moved by hon. members of the Creditiste party but motions from other parts of the House. I can recall debating one motion put forward by an hon. member for the NDP which called for the revelation of private information. All these motions which call for such information are based on the feeling of individual people that we must have answers to questions which arise in our minds.

As long as we have governments running the country there will be a question as to how much information can be revealed and how much must be retained for reasons of security or for the protection of an individual or a company. One of my colleagues suggested earlier that the hon. member for Nipissing (Mr. Blais) was talking around the question and not coming to the point, or perhaps trying to talk the time out. Certainly nobody is fooling anybody else by suggesting that I am only talking on this subject because I am concerned about it. Indeed, we would be setting a very serious precedent, and destroying a very important program, if we were to let this motion go through. I make no bones about it; I am taking some time because I would find it extremely dangerous simply for us to let the motion go through.

In spite of all that has been said about a newspaper which has had some influence, we must turn the matter around and look the other way as well. The government must take certain precautions, in order to protect a principle; and that principle is the right of privacy, the right of fair business competition without your competitors knowing the details of your business, especially when you are in jeopardy and seeking assistance.

There is my point in reverse. Why should a newspaper be picked upon, or why should one particular operation be placed in jeopardy, simply because the business may relate indirectly to the government? This is particularly true in this case even though this company legitimately needed assistance.

When a company seeks assistance in order to maintain itself as an operation, as is the situation in this case, the information must fall within the rules. These rules do not primarily relate to the newspaper operation but in fact to the commercial printing division.

The government will always be vulnerable to the kind of motion we are faced with today. As a backbencher I must say I always have some sympathy toward this kind of motion moved by members of parliament who are not in the government party but are honestly seeking information. I understand their situation when they believe something may be suspect. This is especially true when they are seeking information seemingly, as argued by one hon. member earlier, not on the basis of something crucially important, and not because they smell something very rotten in the woodpile, but simply because they want to know the facts and understand the situation.

I suggest it is not that simple. If we let this one insignificant motion go through during this private members' hour, during the middle of a hot summer, we will be opening up a can of worms, particularly in respect of those companies who might want to come to the government seeking assistance, trusting that the information they provided would be private. We would be starting a domino effect which would destroy the ability of the government to deal with the private affairs of any individual or company in order to assist them.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, earlier in the session the President of the Privy Council (Mr. MacEachen) brought down a series of guidelines which were designed to provide the government with methods by which motions for the production of papers would be judged. One of the main criteria was the question of confidentiality of internal documentation and the confidentiality of information exchanged between governments and the private sector. This includes not only companies but also the sanctity of income tax forms and other information which one gives the government, for example at census time.

What we are dealing with almost every time we debate private members' motions for the production of papers is this question of confidentiality and the question of trust. We really have not come to any solution which is satisfactory to us all. We have not come to any solution to which we can point with some pride that takes into account, on the one hand, the needs of the government and the private sector to exchange information on a confidential basis, and on the other hand, the needs of legislators to have access to the kind of information which is brought forth to governments at this time. One of the frustrations we have as legislators is that we do not have access to all the information that is truly available on any given subject. Sometimes that information is confidential and does exist, but sometimes that information simply does not exist at all.

[Mr. Fleming.]

We have referred these guidelines of which I spoke earlier to the Standing Committee on Statutory Instruments. That committee is going to make an examination as to how these guidelines have operated in the six months they have been accepted by the House. We have been making an investigation into the way in which questions on the order paper and motions for the production of papers have been treated by various government departments in order to ascertain if in fact there has been a significant change in the amount of material being made available by the government which was not the case before, or whether government departments are carrying on in their merry old way of keeping information secret largely for the sake of keeping it confidential and away from others.

This is a very important point because it is the intention of the authors of the guidelines to open up, so far as practical, information which the government collects, sometimes by accident and sometimes deliberately, and make this information available not only to legislators but also to the general public.

The way to do this is not yet known. The amount of information which any government department has at any given time is simply mountainous. The question of determining how much of that information should be made available without request and how much should be made available on request, how much should be made available for limited circulation and what part of it ought to be kept secret in the interest of confidentiality and of the state, is a question on which, I suspect, there will be no conclusive judgment simply because it amounts to a judgment by individual men.

The standards in this regard change. The standards of today will not necessarily be the standards of tomorrow. Today we probably release more information by way of these motions, and just on general principle, than was the case 10 years ago. Mr. Speaker, I see it is six o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

OLYMPIC (1976) BILL

PROVISION FOR ISSUING OF COMMEMORATIVE COINS AND STAMPS AND HOLDING OF LOTTERY

The House resumed consideration of the motion of Mr. Drury that Bill C-196, respecting the 1976 Olympic games, be read the third time and do pass, and the amendment thereto (Mr. Peters, p. 5978).

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, I should like to begin my remarks tonight on this bill regarding the 1976 summer Olympic games by saying

this bill runs counter to the solemn promise made by the Prime Minister (Mr. Trudeau) a few months ago regarding these games. I refer to the statement made by the Prime Minister in this House to the effect that the city of Montreal must bear the full burden of the financing of the games and that under no circumstances would the people of Canada be asked or required to foot the bill for any deficit incurred by either the city of Montreal, the Olympic committee or the province of Quebec.

Members of this House will recall that Mayor Drapeau of Montreal stated at the time he was successful in getting the games for Montreal that it was his victory and that it would be his responsibility. He not only stated he would not ask the federal government to pay off the deficit on the operation of the games, but repeatedly assured us that there would be no deficit. However, we find in this bill clear evidence that there has been some sort of consultation between the federal government and Mayor Drapeau, and possibly the government of Quebec, concerning the games.

We also find clear evidence in this bill that the federal government has in fact committed the people of Canada in direct contradiction to the Prime Minister's solemn promise. We find that the federal government has committed itself in several ways in respect of the financing of the games, and now in this House of Commons we are asked to formalize these commitments. This has been done without the formality and without the courtesy of a statement by the government that the Prime Minister's promise was not really a promise at all. The people of Canada have been committed to financing the games without being told in advance that all the solemn assurances to the contrary were in fact a put-off.

I cannot help but think consultations were taking place along these lines at the same time as we were told the federal government had adopted a hands-off policy in respect of the financing of the games. Before I go into the specifics of the schemes that have been worked out to try to raise money to finance the games, I should like to refer my colleagues to clause 11 (1) which states:

> There shall be established in the accounts of Canada an account to be known as the Olympic Account.

Further along, subclause (3) states:

> There shall be paid out of the Consolidated Revenue Fund and charged to the Olympic Account
>
> (a) all administrative, merchandising, distribution, promotion and other costs incurred by Canada in connection with the distribution and sale of Olympic coins, as determined by the Postmaster General; and
>
> (b) all amounts paid to the Olympic Corporation pursuant to subsection (4).

We find that subclause (6) allows the federal government to authorize payments out of the Consolidated Revenue Fund to the extent of $500,000. This is a far cry from the position the Prime Minister adopted a few months ago and announced in this House. We in this House, and the Canadian people, were reassured by that announcement on the position and policy of the government. But I cannot help feeling that members of this House are going to be asked some very searching questions by their constituents when the full impact of this bill is felt across the country.

● (2010)

I can well remember the hoopla and the fanfare that attended Mayor Drapeau's pyrrhic victory in having the summer games awarded to the city of Montreal. He was hailed as the super salesman from that city, and many people even compared him to the great P. T. Barnum. At that time I was apprehensive, even though Mayor Drapeau assured one and all that he would take care of everything. For one thing I was not so naïve that I could accept the thesis that Mayor Drapeau could commit the city of Montreal to host an international event of this magnitude without in some way committing the federal government of Canada.

On February 9 of this year I told my constituents in a news letter that Mayor Drapeau had in fact committed the Canadian people and the Canadian government when he committed Montreal to host the games. I have been proven right, Mr. Speaker, but the mere fact of being right on this point does not make me feel any less apprehensive. In my view, this has been a shabby and devious way for the federal government and the Mayor of Montreal to work out the details of financing the games.

I stated at the time the games were awarded to Montreal that I was under the impression that Mr. Drapeau had assured the Olympic committee that he had worked out the financial details as far as the games were concerned; that the committee had been shown some facts and figures, together with a comprehensive plan setting out procedures to cover housing, games facilities, security and all other pertinent aspects of holding the games.

We now know that that was not the case. In retrospect we can be forgiven for believing that Mayor Drapeau had in fact committed the federal government on such matters as financing, security, housing and other matters. We saw recently, for example, that Central Mortgage and Housing Corporation got into the picture very quickly, and that there will be tens of millions of dollars available in CMHC money to finance the construction of housing for the athletes at the games. This is a major item of expense, and it clearly shows that the federal government has been deeply involved in the Olympic games for quite a long time, long before this bill was drafted, and certainly a long time before the bill was introduced in the House.

Here I want to say just a word about security at the games. In this aspect I will have to agree with my colleague to my left, the hon. member for Fraser Valley West (Mr. Rose), who stated it was common knowledge that the matter of security is beyond the capability of the police forces of Montreal and the province.

This means that the Royal Canadian Mounted Police and the Canadian Armed Forces will have to be involved. The recent experiences of other countries holding the Olympic games show clearly that security is one of the most important aspects of the games. In fact, Mr. Speaker, surveys have shown that a great many Canadians are against holding the games in Canada because of the unhappy experiences of countries such as Mexico and Germany.

There are radical groups in the world today who plan ahead to the Olympic games. They use them as platforms to vent their hatred on countries that they feel have

slighted them, or have prevented them from expressing honest and legitimate views. Whether these people are right or wrong as far as their beliefs are concerned is immaterial; the fact is that they are prepared to commit murder to disrupt the games and publicize their grievances.

I will not dwell on these matters any further, Mr. Speaker, because as we all know by now these aspects of the games have been worked out by the city of Montreal and the federal government. I will only say, before I deal with the amendments that have been added to the bill by the standing committee, that I wish the government had taken us into its confidence back in the early days of the negotiations.

However, Mr. Speaker, I am relieved to be able to say to my constituents that an amendment to the original bill limits the extent to which the Olympic Corporation can dip into the public till—"trough" is a better word. This has been set at $260 million, but I am not certain in my own mind that this is going to be enough to finance such an ambitious undertaking. I am reminded of the experience we had with Expo 67, and I am rather uneasy, to say the least.

Going back to clause 11, I note that the net cost of the redemption of any Olympic coins left unsold will be charged to the Olympic account. This is not exactly a guarantee. It will only serve to identify another item in any deficit that occurs in the financing of the games, and this will be picked up by the federal government. It will have to be paid off by the federal government because there simply is not anyone else to whom Mayor Drapeau can turn.

The taxpayers should take some comfort from the amendments that make up the whole of clause 13. These amendments call for periodical reports from the Minister of Finance (Mr. Turner) concerning the progress of the selling, redemption and production of Olympic coins. This is a refreshing departure from the way in which the Expo 67 accounting was handled, and it will also allow for regular accounting of the amounts of money paid into the account of the Olympic Corporation.

I am also relieved that reports filed by the government concerning the Olympic coins account can be referred to a standing committee for scrutiny if a motion to do so is signed by at least 60 members and is filed with the Speaker of the House. I have no doubt that from time to time there will be 60 members who are interested enough to take the trouble to petition for a committee examination of these reports.

We would not be debating such an important matter as hosting the Olympic games in this atmosphere of distrust and animosity if the government had come clean with us several months ago. It should be apparent to everyone directly concerned with the games that it would have been far better for general public acceptance of the games if the federal government and the city of Montreal had not been carrying on these negotiations as though it were a private and personal deal.

This is a public matter, Mr. Speaker, and I must say to the House and to all of the principals in the proceedings that, as long as Mayor Drapeau persisted in grandstanding, the federal government should have kept its hands out of the stew. We were assured by the Prime Minister during that period that that is exactly what it was doing. However, we now know that during this grandstand play the mayor was being backed, supported and abetted by the federal government.

That is the reason we are going to have to buckle down now and try to convince the Canadian people that the Olympic games will be conducted in the very best traditions of Canadian hospitality, Canadian ingenuity and Canadian sportsmanship. It is certainly not to our credit that the games were awarded to Montreal in a manner that is not in keeping with the spirit of the Olympic tradition, but we must go on from here and try to ensure that the games are an overwhelming success.

It will help a great deal if we can be assured that future negotiations will be moved out of the dark corners and smoke filled rooms into the open. I think there has been enough grandstanding. There has been far too much deception in the handling of the games up to this point. This bill commits us totally, Mr. Speaker, and I want us to move forward now and show the rest of the world that Canada can do this type of thing better than anyone else. I would even like to see us set the tone for Olympic games of the future.

• (2020)

Mr. John Harney (Scarborough West): Mr. Speaker, I listened with great interest to the concluding remarks of the hon. member for Hamilton Mountain (Mr. Beattie) and I must say that at the end he was engaging in a considerable amount of wishful thinking. It is all very well for us to decide here that we should do our best to speed this legislation in order to have the Olympics in 1976, but the simple fact is that once the bill is passed, once it goes through this House, that is the last chance any one of us has to talk about it. Because we are not in any way connected with the games. We can have reviews and so forth, but when it comes to the planning of the games we will have nothing to say. That is all right. We can give them all the good wishes—

Some hon. Members: Hear, hear!

An hon. Member: Right on!

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Boulanger): Order, order. I should like to remind hon. members that Standing Order 12 states that when a member is speaking no member shall pass between him and the chair nor interrupt him except to present a point of order. Perhaps hon. members would be good enough to allow us to hear the hon. member who has the floor.

Mr. Harney: I should like to thank you and my colleagues, Mr. Speaker, and particularly the hon. member for Calgary Centre (Mr. Andre).

When once prepares a speech one spends a lot of time on one's own points. This evening I have been listening to what other members have said, and there are some things that I approve of and some which chagrin me. For example, I was rather hurt that the hon. member for Saint-Hya-

cinthe (Mr. Wagner) construed the fact that the leader of the New Democratic Party had not spoken on this bill as evidence that the leader of our party was not in favour of the stand taken by members of the party in this House. Certainly I will not construe from the fact that the hon. Leader of the Opposition (Mr. Stanfield) has not spoken on this bill as evidence that he is in disagreement with the hon. member for Saint-Hyacinthe. I would not want to do a thing like that.

Another thing that was not nice at all was the hon. member's combination and process of non sequiturs and guilt by association when he made a remark to the effect that we who are opposed to this bill are opposed to Montreal, the mayor of Montreal and the province of Quebec.

I invite the hon. member to attack the mayor of Toronto whenever he feels like it. I would not for a second think he was attacking all the province of Ontario in the reversal of Mr. Crombie. There are some times when I disagree with Mr. Crombie, but I am not opposed to Ontario completely!

There was something else in the remarks of the hon. member for Saint-Hyacinthe which rather overwhelmed me. He made reference to the young people, the children in the Point St. Charles area, and said that these poor poverty stricken children would be given something to look at by the 1976 Olympics. He said that might just change their world so much that they would not fall into the patterns of drug taking, petty crime and so on which he signified were so prevalent in the Point St. Charles area.

I suggest there is an important direct method, which involves less Pollyanna, of doing something with these people. Take some of the money we are going to spend on the Olympics, build sports facilities for them and provide proper recreation programs for them. Take them off the streets directly. Do not just give them a distant vision of an Olympics that they will not be able to attend because it is far too expensive; give them real help in the city.

After all, Mr. Speaker, it is important to realize that the city of Montreal now spends a measly 7.4 per cent of its budget on sports and recreation, that it stands 70th among cities of 5,000 population or more in the province of Quebec in terms of money spent on sports and recreation. If the object is to do something for Canadian youth, let us do it directly and not indirectly.

[*Translation*]

Mr. Speaker, the parables of the hon. member for Saint-Hyacinthe (Mr. Wagner) somewhat remind me of the aphorisms found in a booklet entitled "L'homme des tavernes". I do not know whether the hon. members have read this booklet, but this beer drinker, a chap from Montreal, a sage, has a rather astute way of commenting on the social and political situation in Montreal, Quebec and Canada. He sometimes makes ingenuous but straightforward remarks on the situation, and I remember that he once said: "One wonders whether poor children are more healthy than rich children, because if you walk through the slums of Montreal, you see very few children wearing glasses while in better districts, many wear some."

Mr. La Salle: It is because they cannot afford them.

Mr. Harney: The hon. member for Joliette is right.

[*English*]

Just to make it easier for my English speaking colleagues, Mr. Speaker, I would point out that the hon. member also remarked that in the poor areas of the city obviously the children were healthy because very few had braces on their teeth, whereas in the wealthier areas many children had braces on their teeth.

An hon. Member: What has this to do with the Olympics?

Mr. Harney: It has a lot to do with the Olympics, because the money that is going to be spent on this lavish enterprise could be better spent. I will not detail now how it could be done because the hon. member for Fraser Valley West (Mr. Rose) did that this afternoon.

The hon. member for Simcoe North (Mr. Rynard) said something yesterday which chagrined me. He said that the right hon. Prime Minister (Mr. Trudeau) was either being naïve or deceitful. That is not much of a choice if you stop to think of it.

An hon. Member: We do not have much of a Prime Minister.

An hon. Member: How are you voting?

The Acting Speaker (Mr. Boulanger): Order, please. I do not know if it is because the hon. member who has the floor is attracting more attention than normal, but there is so much noise from an area on the left side of the House that it is difficult to hear and to follow the speech. I would remind hon. members that they should observe the decorum of the House and permit the hon. member who has the floor to speak so that we can follow what is going on.

Mr. Stevens: Mr. Speaker, on a question of privilege, the words that were attributed to the hon. member for Simcoe North should be attributed to me. I hope that *Hansard* will report that correctly.

Mr. Harney: Mr. Speaker, I stand corrected. It was the hon. member for York-Simcoe (Mr. Stevens). At any rate, the words that the Prime Minister was either "naïve or deceitful" were well chosen. I was suggesting that was not much of a choice since such a statement is predicated on the belief that the world is made up of fools and knaves. That is not much of a choice to give any one of us.

An hon. Member: Oh, come on!

Mr. Harney: Well, if you are a knave you are a fool; if you are deceitful you are a knave. I want to ask, Mr. Speaker, who would it be that would notice if a man was a fool? What choice has he got?

At the committee stage, Mr. Speaker, the Conservative party proposed an amendment. I want the people on the other side to listen to this, particularly the hon. member for Témiscamingue (Mr. Caouette), because he was not there the other night. The amendment said, in effect, that if COJO should make a profit beyond a certain point, none of that extra money would go to COJO, the people of Montreal or the province of Quebec. I said, perhaps in naïveté, certainly not in deceit, that if it is clear that the people of Quebec will be responsible for the deficit—we

shall not be responsible, that is clear—they should also be allowed to keep the profit, if any. Our friends to my right never put forward that amendment.

• (2030)

Surely, in the finest spirit of free enterprise, if the people of Quebec through COJO make a profit—which is chimerical, as I do not think it will happen—they should keep it. They take the risk, and they should keep the profit. The point is, as the hon. member for Témiscamingue should know, that we are saying to the people of Quebec who are organizing and supporting the Olympics that they are to incur a deficit, but that they cannot make a profit. That is not a nice way to run any business. I am sure my colleagues to my right would not run that kind of business.

Mr. Caouette (Témiscamingue): Nonsense.

[*Translation*]

Mr. Harney: Mr. Speaker, coming back to what I was saying, I simply want to say that I am opposed to that Pharaoh's banquet of Mayor Drapeau on two very logical grounds. First, the proposal in this bill is based essentially on the sale of coinage, on the minting of coinage. It must be kept in mind that what is proposed here is impossible because if the minting and the sale of Olympic coins were successful, that would mean that $417 million worth of coinage would have been sold. If $417 million worth of coinage were sold, those coins would not be rare, would have no value for collectors who like to collect rare items.

The bill contains an inconsistency, an impossibility. If such a quantity of coins were sold, people would not buy them, would not keep them as collection items. Furthermore, I cannot believe that if $417 million worth of that coinage were spread across the country and the world, people will not use it for legal tender.

Mr. Speaker, an amendment moved by a member of my party in committee to the effect that such coins could not be used to pay salaries of civil servants and military personnel. And the President of the Treasury Board (Mr. Drury) admitted earlier at a committee meeting that the distribution of that coinage by Canadian employers would be disastrous. An amendment moved by a Tory member was rejected but there was some kind of a deal that night between the two major parties. The Liberals accepted all Conservative amendments and supported them, even if some Liberal members could hardly understand them. They rejected all the amendments from my party although they had supported them earlier. Strange thing but that is what happened.

In such situations. Mr. Speaker, new members even NDP members do not stay ingenuous for a very long time; they become dissillusioned and this afflicts me a little. I strongly object to this bill because it places Parliament in the situation of Pontius Pilate, the one who washes his hands. We say: in a way it will make things easier but we will not be responsible; a lower court will be. Like Pontius Pilate, we say: it is not my business, try to settle it among yourselves. But I want to make things easier by providing troops, the materials needed and the right to do it, but do not come and tell me that I shall be blamed.

We cannot act this way, Mr. Speaker; we are the ones who are responsible because we do more than making things easier. We will allow the games to take place this way. As I said earlier, these games will be held under the form of a feast, another kind of monument the city of Montreal and the province of Quebec do not need. As the hon. member for Fraser-Valley West (Mr. Rose) said this afternoon, we could do so many other things with this money.

Mr. Caouette (Témiscamingue): They have no money.

[*English*]

Mr. Harney: I could comment on the remarks the hon. member for Témiscamingue (Mr. Caouette) has made. We said, "Look, we will support a bill"—

Mr. Caouette (Témiscamingue): Well, you are supporting it.

Mr. Harney: Yes, but we would support a bill which would finance the Olympics directly from the public treasury, and we could be accountable to the people of Canada and take part in the planning as well as bear part of the responsibility.

Mr. Caouette (Témiscamingue): And you would be the managers, of course.

Mr. Harney: That might not be a bad idea. I want to mention a couple of things in conclusion. First, I want to read from some excellent literature. The first item I shall read is taken from the Prime Minister's letter to Mayor Drapeau, dated January 23, 1973. It says in part:

> Taking the additional operating costs and the short-fall in projected revenues, our assessment would indicate that the budget would not be balanced, and instead you would be faced with a deficit of between $100 and $200 million. This assumes, moreover, that costs would not escalate between now and 1976.

Considering the way costs have escalated, the deficit would be between $150 and $250 million. I continue:

> While we have every reason to believe that you and COJO will be making strong efforts to keep the costs to a minimum, we must bear in mind that they would well increase as a result of large unforeseen contingencies.

Later in the letter comes this telling passage:

> You will appreciate that these would almost certainly require legislation by Parliament and that could not be expected to pass without a clear indication as to how the very large costs are going to be covered without direct federal involvement.

There it is. Have all members of this House now received the clear indication mentioned? Certainly we did not receive it in committee, Mr. Speaker. I have read from the Prime Minister's letter. It is excellent prose, I suggest, very well balanced, very telling, but nevertheless forgotten.

The other author from whom I want to quote is Percy Bysshe Shelley. I hope the Prime Minister (Mr. Trudeau) will not mind being associated with Shelley. I certainly would not. You know, there is something about this project that is very much like the project Ozymandias built. I see the President of the Treasury Board (Mr. Drury) smiling as he recalls his college and high school literature. This poem is as follows:

● (2040)

I met a traveller from an antique land—

I keep meeting travellers from antique lands in this House. It is just a 14 line sonnet, and it is so rare that I ought to read it. Should I?

Some hon. Members: Hear, hear!

Mr. Harney: To continue:

I met a traveller from an antique land
Who said: Two vast and trunkless legs of stone
Stand in the desert . . . Near them, on the sand,
Half sunk, a shattered visage lies, whose frown,
And wrinkled lip, and sneer of cold command,
Tell that its sculptor well those passions read
Which yet survive, stamped on these lifeless things,
The hand that mocked them, and the heart that fed:
And on the pedestal these words appear:
'My name is Ozymandias, king of kings:
Look on my works, ye Mighty, and despair!'
Nothing beside remains. Round the decay
Of that colossal wreck, boundless and bare
The lone and level sands stretch far away.

Some hon. Members: Hear, hear!

Mr. Harney: To those people who think they will be bringing benefit to the city of Montreal in terms of development, employment and a permanent increase in the wealth and well-being of its citizens, I wish to point out that through this bill they are supporting the kind of monumentalism that Ozymandias stood for, nothing for the people, everything for circuses, and very little bread in this particular case.

We now have a monument in Montreal which, if it is not decaying, is at least rusting. I am speaking of Expo and what remains of it. The part of it which is not going to fall to rust and rot—

Some hon. Members: Oh, oh!

Mr. Harney: Take a look at what remains of Expo. It will be cut up to make another canal for the Olympics.

I am opposed to this bill because it puts before the people of Canada a totally distorted sense of priorities. I would be in favour of a more modest Olympics with controlled expenditure. I would be in favour of direct federal participation in the financing of this Olympics.

However, I cannot accept this kind of expenditure when there are crying needs in this country. There is no use kidding ourselves that the money is going to come out of the air; it is going to come from the people of Canada indirectly. The hon. member for Témiscamingue (Mr. Caouette) should realize this is the first time ever his monetary theories have been accepted in this Parliament. We are going to stamp money, plenty of it, without increasing the real wealth of the country. All we will do is create an inflationary factor. We will be debasing our Canadian currency. Every $5 that finds its way into the market place to buy bread or beer is going to cost the Canadian treasury $3. There is no getting out of that.

In conclusion, I would support a more modest Olympics and direct federal participation, both in terms of planning and financing. But I cannot support this bill.

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, this bill proposes an ingenious method of achieving the objective of self-financing the 1976 summer Olympics without cost to the taxpayers. If it succeeds, it may inspire a new slogan, "Play now—pay never," because it will mean that a mammoth spectacle can be produced without an equally mammoth subsidy from the government.

It sounds almost too good to be true, and members of the public as well as of this House may be pardoned if they doubt it can be done. Even the Prime Minister (Mr. Trudeau) has had his moments of uncertainty. On August 15, 1972, in a letter to Mayor Jean Drapeau, the Prime Minister said that in spite of repeated requests by federal officials the government had not received any detailed information about how the games were to be financed. On February 24, 1972, the mayor had estimated the cost would be about $124 million, but in August the Prime Minister said a federal government cost analysis estimated the cost might be about one half billion dollars, four times the mayor's estimate.

On January 23, 1973, uncertainty about financing the games was still perplexing the Prime Minister. In a letter to the mayor, he pointed out that the city of Montreal and COJO had approved capital and operating budgets of $310 million. That meant an increase in five months from an estimate of $124 million to $310 million, an escalation of two and one half times. The Prime Minister informed the mayor that federal officials feared operating expenditures would be greater than those projected in the COJO budget and that revenue sources for financing capital works would yield $100 million less than was previously expected. The result would be a deficit of between $100 and $200 million, assuming that costs would not escalate between 1973 and 1976.

On the basis of this gloomy prospect, the Prime Minister indicated the government could not accede to any request for federal authorization for revenue producing schemes, such as issuing coins and stamps and holding lotteries. That might have stopped a lesser man than the mayor of Montreal. Many might well have expected this meant the end of the Olympics.

Just eight days later, however, the premier of Quebec wrote the Prime Minister to say that the federal government would not have to assume the interim financing of costs relative to the games during the period leading up to and including the holding of the games. Provided the federal government agreed to remit to COJO the net proceeds of the sale of these special coins and stamps, premier Robert Bourassa agreed the federal government would not be asked for any special contribution toward the cost of the games.

My reason for citing this correspondence is to emphasize how commitments have been made that must inhibit either Montreal or Quebec from coming to the federal government for any further assistance. Mr. Roger Rousseau, the Olympics commissioner, has outlined his hope that the games will be self-financing if parliament passes Bill C-196. I hope he is right, but he may not be, so it must

be made absolutely clear to the premier, the mayor and the Olympics commissioner that if their costs exceed their revenue, they cannot look to this government and this Parliament for more help.

We are mindful of the way the costs of Expo '67 escalated. Parliament had to pay a subsidy far in excess of what had been anticipated. That kind of escalation must not happen again, and there should be no doubt left in the minds of officials in Montreal or Quebec about the determination of Ottawa to hold the line.

This is not because taxpayers in the rest of Canada are unwilling to share in the cost of this great spectacle. They are already committed to sizeable federal expenditures. Costs of building the Olympic village will involve CMHC funds estimated to range from $26 to $54 million, and that project will be of permanent use to the city of Montreal.

● (2050)

A Treasury Board financial analysis on January 31, 1973 estimated that the cost of Armed Forces involvement in the program of the games would be $8 million; that the cost of the R.C.M.P. and other federal employees attached to the games would be $20 million, and that the cost of CBC services would be around $25 million. The total is a possible $107 million of federal money, according to 1973 costs. That should indicate the way in which people across this country are supporting the project, even though it is only a few years since they paid the deficit for Expo amounting to hundreds of millions of dollars.

Will the people be asked for still more? The Premier of Quebec has told the Prime Minister of Canada (Mr. Trudeau) that they will not. This assurance, however, has been given in the face of a Treasury Board forecast that revenues from all sources, including the games, will be $172 million less than costs: a possible deficit of $172 million. Where will this money come from? No one has answered that question except to claim the sale of the coins, the stamps and the lottery tickets, added to regular Olympic revenues, will be so great that there will be no deficit.

What a promise! What a vision! If the scheme works, I suggest all party leaders offer to serve in a coalition government under Jean Drapeau. He will be the first man in Canadian history ever to have achieved so much for so little, and he is obviously the man this country needs. If we can finance games this way, why not housing, why not roads, why not parks? Why limit such brilliance to so short a display?

Let us just suppose the scheme does not work. Has the Premier of Quebec made any commitment that his government will assume the deficit? Has the mayor of Montreal indicated how much his city could underwrite? Just as important, has the Prime Minister of Canada made any arrangements for federal authorities to supervise and audit the way COJO's funds are managed? If the government is investing $107 million in the games, surely it is entitled to some voice in their management. In spite of all these assurances, by 1976 or 1977 a new mayor of Montreal and a new premier of Quebec may approach a new prime minister of Canada to lift them out of a hole they will claim others dug for them.

[Mr. Stackhouse.]

Surely the federal government should be playing a much more active role in the management of this massive event. I suggest the government appoint an auditor general to keep a close eye on how the money is spent by COJO, and who could do it better than Mr. Maxwell Henderson himself?

Some hon. Members: Hear, hear!

Mr. Stackhouse: The amendments to Bill C-196, accepted in committee, have made it a better bill because they have provided for more government supervision of the coin issue. They have provided safeguards which could prevent the coins being misused in such a way that COJO could pay off its debts with Olympic coins. They have set a limit on the aggregate amount so as to prevent the coin issue from being so great it could debase the currency.

I think this is the right approach. One option which I believe the NDP favours would be to defeat the bill, a move which could seriously jeopardize the possibility of the games being held. Another option, and a better one, is to accept this measure, but to demand much more efficient management or administration so that the promised result of the schemes put before us would be more likely to be achieved.

We need to be mindful of the value of the games to the entire nation. They give us an opportunity to return the hospitality our athletes have received in Olympics held in other countries when other countries have assumed the cost and the burden of those events. They afford us an opportunity to unite this country in one great experience, as a result of which athletic development will be stimulated in every community. Several speakers criticizing the Olympics have pointed out that various local communities need arenas, stadia, swimming pools and the like. I believe these communities have much more hope of achieving those ambitions because of the inspiration and stimulus they will receive from the games.

It is therefore incumbent upon us to do what is required of us at this time; that is to say, not to jeopardize the possibility of these games being held but to take action which would lead to their realization; not to sink the Olympics, but to take the steps needed to assure the efficient administration of the project's finances.

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I am very happy to speak during this debate on the motion for third reading of Bill C-196.

I have followed attentively the various steps this bill went through, first in this House and then in the parliamentary committee. I must admit, Mr. Speaker, that I personally feel greatly satisfied when I think that Parliament is about to authorize the Post Office and also the Royal Canadian Mint to proceed with the issuing of Olympic stamps and coins this year as well as during the next three years, so as to provide for the financing of the 1976 Summer Olympic Games.

Through such issues and the lotteries that will be established, the Canadian government is going into a unique undertaking which—I emphasize it—is unprecedented in the history of Olympic Games financing.

I should like tonight to raise six points that were brought forward by members and which deserve explanations.

First I should like to say very clearly that the government wants this bill to be approved.

Second, I should like to remind all hon. members that the government members have taken every possible means to accelerate the passage of this bill.

● (2100)

Thirdly, I would like it to be clearly understood that the government's attitude about this bill has never changed and its enthusiasm has never wavered.

Fourthly, to those who are wondering what support the government will give the Games, I would like to remind them, by listing a host of cases where the government has shown how efficient it can be, that in fact it will play an extremely important role in the success of the Olympic Games.

Fifthly, I would like to say that in spite of the wish expressed by some hon. members, the Canadian government cannot substitute itself to the city of Montreal in the organisation of the Olympic Games proper.

Finally, I would like to invite all hon. members to realize that the 1976 Olympic Games are a unique opportunity to promote Canadian unity and rekindle the enthusiasm that prevailed in 1967.

Mr. Speaker, let me say that it is quite clear that the government wants this bill to be passed within the shortest possible time. My colleagues from the cabinet, the Liberal members of Parliament, all save one maybe, as well as many members of our party, from all the provinces, have repeatedly expressed their support of the Games.

Now I would like to point out to the House that differences of opinions are allowed within our party. The statements made by my colleague from Matane (Mr. De Bané) were those of a private individual and not those of a government representative. He spoke as any member of our party can speak in this House or outside. His opinion is a personal one quite exceptional within our group. The ministers, the members, the rank and file throughout the country have repeatedly given their unconditional support to the Olympic Games and I think that the position of the Government and of the Party I am representing is quite clear in this connection.

Furthermore, I would like to say that we did our best in an attempt to speed up the passage of this legislation. During the debate on second reading, government members restricted their remarks. In committee, there were very few contributions from the government side and this, in order to allow opposition members to express their views and ask all the questions they wanted.

I even recall a sitting when several government members gave up their allotted time to the hon. member for York-Simcoe (Mr. Stevens) who had the floor practically all the time.

Finally, government members co-operated fully, first, in the drafting and, secondly, in the passage of some of the amendments moved.

It is beyond doubt that, as far as we from the government side are concerned, we have been ready to support and pass this bill for a long time.

Mr. Speaker, I wish to emphasize this: the government's position and enthusiasm with regard to the Olympic Games have remained the same since May 1969, when the Prime Minister (Mr. Trudeau) officially endorsed the application made by the City of Montreal to the International Olympic Committee. Therefore, this government's position has been known from the start. The federal government, while supporting the application of Montreal, said it could not share in the costs of the necessary facilities and related infrastructure. I think that the Prime Minister's letter to the Mayor of Montreal is quite clear in this respect, and I quote:

Dear Sir:

I am pleased to send you a copy of a letter that I sent to the President of the International Olympic Committee in support of the City of Montreal which is seeking the honour of hosting the 1976 Summer Olympic Games.

However, the federal government having already provided, within the framework of EXPO, substantial contributions for various facilities, some of which can also be used for the Olympic Games, I am sure that you understand that we cannot give financial support to the organization of the Games or its promotion.

Now, this position has not changed. Ottawa has been supporting Montreal for the holding of the Games since the beginning. The federal government states that it will keep its promises, that it will do its duty, but that is all. And I disagree with the comments made earlier during the debate by the member for High Park-Humber Valley (Mr. Jelinek) who said, and I quote:

—it is Canada which has chosen Montreal as the city which will represent our country for the 1976 Olympic Games . . . therefore we must not make any mistake . . . In view of the secretive manner in which the Prime Minister has handled all this from the beginning.

Mr. Speaker, I want to make it clear that there has been no secret dealings or underhand practices behind this. The formal statements of the Prime Minister are very clear, and at no time have we tried to go through the back door in order to do some things or to prevent some things from being done. The position is quite clear and I think that it is very well understood by both Montreal and the Olympic Committee.

Mr. Speaker, I cannot help stressing—and with malice to none—that the attitude of the Progressive Conservative party towards the Olympic Games has been, to say the least, confused and even quite involved, especially in the last election. At that time, the official opposition party took great care not to take an official stand on the 1976 Olympic Games. Instead, the hon. members opposite were suggesting a national policy on sports as vague as could be. I admit, however, that their position has become clear during the debate on this bill and I wish to congratulate the hon. member for Saint-Hyacinthe (Mr. Wagner) on the remarks he made in this House. I wish he could have a good influence on all his colleagues so that they will all use the same frank and strong language, because, unfortunately, we have heard far too many inconsistencies in the remarks of some of his colleagues on this bill.

Mr. Speaker, we have been taken to task and maybe we still are, because in some cases, we are unable to give at

this stage specific guarantees about the anticipated revenues through the sale of Olympic coins and stamps. In the same breath, our colleagues opposite blame the government for allowing the Royal Canadian Mint to get ready for the minting of these Olympic commemorative coins.

On the one hand, Mr. Speaker, the opposition members who sat on the committee spoke abundantly about the shameless deficit that will be incurred by holding the games. On the other hand, they presented an amendment for the sole purpose of limiting the amount of money that will be handed to the Olympics Committee.

After speaking at length and very highly about the games, they presented an amendment which would greatly limit the possible financing of those games by setting at $450 millions the total value of coins that could be minted and circulated.

Moreover, Mr. Speaker, some members of the opposition sharply accused the government of not wanting to finance the games directly. However none of them wished to move an amendment which would have modified Bill C-196 that way.

Nevertheless, I welcome the support of a very large majority of members from the official opposition.

I am glad they took such a position and I wish to tell them that I fully expect their most thorough co-operation when the time comes to promote the sale of coins and stamps limited and issued with this Parliament's authorization.

I would also like to say, Mr. Speaker, that the Canadian government will play an extremely important and foremost role in the success or the failure of the 1976 Olympics. This government is ready to do what should be done to ensure that this undertaking meets with the most complete success. The international scope and the fall-outs that will result for Canada imply a concern on the part of the government at the level of services connected with the games, which are of federal jurisdiction. That is how the participation of federal departments will take place normally and to a great extent without involving any extraordinary expenses.

I can say that about fifteen departments will be directly or indirectly concerned with the organization of the Olympic Games of 1976.

First of all, the Department of External Affairs will be responsible for the formal arrangements occasioned by the visits from numerous foreign dignitaries, and will provide valuable assistance for the coordination and advertising of the Games through our embassies. As a matter of fact, His Excellency General Commissioner Rousseau has been loaned by this Department to the Organization Committee of the Olympic Games.

The Manpower and Immigration Department through its Manpower Centres will help COJO when recruiting casual employees required for the Games. The Immigration Division will also be involved in the coordination of the entry into this country of the numerous athletes, officials and visitors.

As far as the National Defence Department is concerned, it will provide the necessary security in connection with the numerous sporting events.

[Mr. Ouellet.]

The Department of National Revenue will share in the reception of visitors by providing the necessary additional staff.

The Royal Canadian Mounted Police, under the jurisdiction of the Solicitor General, will carry out the very important duties of security co-ordinating body in cooperatin with both provincial and city police forces, in Montreal as well as in Kingston.

Other government agencies will fulfill their normal responsibilities and take an active part in the holding of the games. Suffice it to say that the Departments of Environment, Agriculture, Industry, Trade and Commerce, Public Works as well as Information Canada and various other agencies will lend a precious and helping hand in the organization and holding of the games.

I should like to say a few words on the matter of federal services and agencies which will result in major expenses which, by the way, have already been made public and which will be incurred within the next three years.

● (2110)

In the vital field of security, the federal government is responsible for providing the Olympic Games with security arrangements capable of ensuring the protection of 9,000 athletes, some 4,000 journalists and more than 250,000 spectators who will see the games every day.

The government has also allocated a grant of some $25 million to the CBC which, at the broadcasting agency of the host country, will look after the radio and television coverage of the Olympic Games.

This money will enable all Canadians to watch the various competitions at home thanks to radio and television. To the very many foreign commentators who will cover the games for their own countries we will offer a complete range of radio and television facilities. It is estimated that over one billion people across the world will receive reports on the Olympics Games from Montreal in 1976 and by the same token get to know better our wonderful country.

Finally, the funds allocated under CMHC programs will depend on the number of housing units built in the Olympic village and will be paid out to the extent that those units will meet the usual standards of the corporation.

I would also like to stress the importance of the role that will be played by the department of National Health and Welfare which, without making any direct financial contribution to the organization of the Olympic Games, will also participate in a very important way through Sports Canada in their preparation. Assistance programs for the preparation of teams, the training of referees and judges, the organization of clinics, and travel and shelter grants for Canadian athletes participating in national and international competitions are as many accomplishments already underway. That department will also be subsidizing national amateur sports associations which will organize competitions across the country in coming years.

The "Mission 76" co-ordination committee will ensure that our Canadian athletes can participate in international events in order to acquire preparatory experience for the 1976 games. Thus our young Canadians will go to the World Student Games in Moscow next August, the Com-

monwealth Games in New Zealand next February and the Pan-American Games in Chili in 1975. They will also have the opportunity of participating in competitions to be held domestically, particularly the Canada Summer Games which will be held in coming days in New Westminster and Burnaby, British Columbia.

Mr. Speaker, I want to say that the government of Canada responded to the request made by the city of Montreal and the Olympic committee by drafting the bill before us. This act will make it possible to collect revenues through the issue and sale of special commemorative stamps and Olympic coins as well as through the organization of a national lottery. In this way, the government will ensure the basic financing of the Olympic Games without taxing directly the Canadian taxpayer.

As all hon. members know, the Post Office Department will issue commemorative stamps to mark the staging of the 1976 Olympic Games. The first series of stamps, if the government passes this bill in the next few days, will be issued on September 20. These will be the first two stamps of a series of very high quality stamps which we intend to issue. These two stamps will have low nominal value, i.e. the value most frequently used to pay postage.

As minister responsible for the sale of the Olympic commemorative stamps and coins, I should like to reassure hon. members and all Canadians who could be somewhat apprehensive as to our issuing programs and the means that will be used to provide for their sale in Canada as well as abroad. First I should like to tell them that a marketing advisory committee will be set up and include all the people concerned in this coin program, including the federal departments and COJO.

I should like to tell them also that I will have the pleasure of leading a group of experts who will supervise all aspects of marketing within a new branch that my department will create for those special programs.

With the help of those two groups of sales experts and thanks to a market study and a publicity promotion, I am confident that the Canadian government will be very aptly and sensibly advised as to its sales program, its marketing methods and as to the choice of the institutions and agents who will co-operate in the sale.

May I be allowed, Mr. Speaker, to reiterate my confidence in those prospective sales. We rely very much upon the international market and our program has already aroused much interest in foreign countries. Half of our production will probably be sold in North America and we have every reason to believe that we can rely on a great number of clients in the wealthiest countries in Europe and Asia.

There is throughout the world an increasing interest in precious metals and their products, such as coins. The intrinsic value of our collectors' items and of our numismatic samples will be such that Canadian Olympic coins will surely draw the attention of the whole world.

The collectors' market is very large. We shall direct our efforts towards that sector of the market that is already obviously interested in such articles, be they of a numismatic or philatelic nature. Moreover, we can count on the interest of all Canadians who will see in these issues an opportunity of directly supporting the Olympic Games and to do so freely here, in this country.

It must be realized once and for all that these Olympic coins and stamps will give all Canadians a unique opportunity of supporting the games and pave the way for other countries that cannot now hope to finance the games but that will some day be able to through the self-financing procedures that Canada will have been the first country to attempt successfully.

In conclusion, I would like to say to many members who would like the Canadian government to serve as a substitute for the City of Montreal and assume the entire responsibility for these games that it is in fact a city which is getting the games, assuming the responsibility for them, taking the task of building the required facilities. A country cannot therefore act as substitute for a city, according to the criteria of the international organization committee of the Olympic Games and there we must follow the long established rules of the International Olympic Committee.

I feel the time has come for this House to support what the COJO and the City of Montreal have been asking us for a long time, namely to support a bill allowing self-financing of the 1976 Olympic Games.

I am convinced that the 1976 Games will offer all Canadians, from the Atlantic to the Pacific, a splendid opportunity to make a national effort without equal since the extraordinary festivities of our 1967 centennial. All Canada and especially our youth, can prove one more, at the Olympic Games, that our national pride and will to excell are without equal, in the world.

We had this great feeling when we watched the performance of an athlete like Karen Magnussen or those of Team Canada during the Russia-Canada series. We all had this warm feeling of satisfaction in seeing these Canadians take up the challenge of the best athletes in front of the world.

I am convinced that all Canadians from coast to coast will relive these same emotions, these same sensations during the Olympics Games of 1976.

I therefore invite all hon. members to join in this Canadian endeavour in which the whole world will see another proof of Canadian initiative and unity.

The hour has come for all Canadians to co-operate. I therefore ask all hon. members to rally round us as soon as Bill C-196 has won the support of the majority.

[*English*]

● (2120)

Mr. Dan Hollands (Pembina): Mr. Speaker, I rise tonight not to delay unduly the debate on the Olympic bill but to congratulate the Mayor of Montreal for bringing the games to Canada. In this he has shown great ingenuity. We should all be proud of athletic progress in Canada wherever it takes place. In many quarters the method of financing approved by the federal government is deemed to be devious. But if the system works, members of all parties will be happy.

I rise tonight to say that we in Edmonton, Alberta, are going to host the 1978 Commonwealth games, and I would like some assurance from the government that we in the

city of Edmonton will be treated with kindness equal to that which we on this side have shown to the holding of the Olympic games in Montreal.

It is not too early to start planning for the Commonwealth games. Over the past year a number of people in Edmonton have worked hard to get those games for Edmonton. The Exhibition Association is now in the process of building a coliseum, and again I hope the minister will give me some assurance that the people of Edmonton will be given consideration equal to that shown the people of Montreal.

We in Edmonton are proud that we have some outstanding athletes. Those athletes will develop if we hold the Olympic games and Commonwealth games in Canada. I repeat, I hope the minister will give an assurance tonight that the same consideration will be given to the Commonwealth games in Edmonton in 1978 as is given to the Olympic games in Montreal in 1976. I would not have risen tonight had I managed to ask the minister for this assurance during question period this afternoon, but I rise now and ask him if will he give that assurance.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am certainly not the only member of parliament to have received a number of letters over the past year and a half objecting to the holding of the Olympic games in Canada because, it is argued this country cannot afford the cost, which is estimated at somewhere between $300 million and $500 million.

I am opposed to the holding of the Olympic games not because Canada cannot afford that kind of expenditures, and not because I am opposed to the encouragement of sports and recreation. I am opposed to the Olympic games because I believe, on the basis of our past experience, that we will do quite poorly in the 1976 Olympics. We will do poorly simply because we have not had the facilities in this country to provide proper training for our young people, our potential athletes. We do not have fully qualified coaches to develop the skills of our athletes.

If we want to compete in international sport and at the same time avoid our athletes having a poor record and somewhat disgracing the country, then I believe we must build the necessary facilities to allow our young people the training they must have.

I am not opposed to the expenditure of $300 million to $500 million on athletics, but I am opposed to the expenditure of that kind of money in one city. I would oppose it whether we had the Olympics in Vancouver, Toronto, Hamilton, Winnipeg or Montreal. I think Canada should spend something in the neighbourhood of $200 million to $300 million on building sports facilities in all the major cities of the country. Let us have Olympic size swimming pools and diving platforms in Vancouver, Edmonton, Calgary, Regina, Winnipeg, Hamilton, Halifax. Let us also have track facilities in those cities. Let us have hockey rinks. Let us not forget that the best hockey players in this country barely beat the Russians in that relatively recent competition.

● (2130)

That is what we need, not expenditures in one city. I would like to see us do for sports what was done for the arts some years ago through the Canada Council, and that is set up a trust fund of $100 million or $200 million. That way we would not have to depend on a particular government or a particular minister to provide the money required for a real program to train the coaches needed in the various athletic competitions that are held during the Olympics. Let us have a fund and use what it earns each year to train the coaches.

It has been suggested that we ought to approve this bill because Montreal needs an economic boost, that it has been left behind in the competition with Toronto and Toronto is growing faster. Neither I nor members of this party have ever oposed any proposal to improve the economic or social life of Montreal or any other city. If the vote were to allocate $300 million or $500 million to improve living and working conditions in the city of Montreal, we would support it. Montreal has tens of thousands of children living in houses which are a disgrace to any modern city. Yet what we are proposing is not to give CMHC the financial resources to encourage Montreal to build public housing units, but to give Montreal, through CMHC, enough money to build an Olympic village which will house something like 10,000 or 15,000 athletes and related personnel. We do not know how many of these units will be allocated for public housing, but on the basis of the experience of the United States we do know that if it were to be devoted to public housing it would end up as a ghetto to breed crime and everything else.

Montreal is a city of 2½ million people which dumps almost 100 per cent of its sewage into the St. Lawrence River—untreated sewage. If the proposal were to spend federal money to help Montreal build a modern sewage system, not a single member of the New Democratic Party in Parliament would oppose it. What we are opposing today and will vote against is the expenditure of a substantial amount of money in one city, the city of Montreal, in a way which we believe to be completely wrong.

We are not against sports, we are not against Montreal, we are not against Quebec, but we believe that to hold the Olympics anywhere in Canada in 1976 is a mistake. We believe that the money that the people of Canada will be required to pay in one way or another could be better spent in this country, and better spent in the province of Quebec. Because we believe that, Mr. Speaker, we intend to vote against this bill.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I bow to my colleagues; I know they will be interested in what I have to say. If there was an Olympic medal to be given for kicking the can, I am sure it would be won by a member of this House. As a matter of fact, I think the best way to end this debate would probably be to give out a few medals. I should like to recommend that the hon. member for Chicoutimi (Mr. Langlois) be considered for a medal for "jumping to conclusions". During our committee meetings he displayed great skill and style, and it is a matter of record that he jumped to more conclusions than anyone else on the committee.

Probably the most outstanding performer of all those on the committee was the hon. member from Fraser Valley West (Mr. Rose). He not only beat all his party colleagues, but he had the fastest about-face in the time trials. Not only did he about-face, he turned himself inside out while

doing an about-face. Even the most experienced gymnasts blanch at the thought of such a feat.

I am sure, Mr. Speaker, you will agree that an about-face in itself is extremely difficult, especially for a member of the NDP. We find the hon. member for Fraser Valley West on February 2, as reported at page 899 of *Hansard*, saying:

> My party welcomes the statement by the Prime Minister (Mr. Trudeau) today in which he took some trouble to outline the parameters of federal involvement in Canada's first Olympic games. We wish our first Olympic games every possible success as a potentially great moment in the history of our nation.

He went on to talk about keeping to budget and said he looked forward to Canada leading the way to staging the Olympic games on a budget scale. But when this bill was brought into this House on second reading, the hon. member for Fraser Valley West, whose only sporting credentials are that he owns a jock strap and has athlete's foot, led a spirited battle against staging the Olympic games in Canada.

Then to show off to all who cared to see, after pleading in February for Canada to lead the way in staging a "budget Olympics"—that is his term, Mr. Speaker—after pleading for economy, we find him voting against an amendment to limit the amount paid to the Olympic committee through the sale of coins. How can you compete against talent like that? So I award him a medal, Mr. Speaker. I think he deserves it. As for his colleague, the hon. member for Scarborough West (Mr. Harney), well, he led the way in committee with points of order and deserves at least an honourable mention for his efforts.

Of course, we could not have really made much progress with this bill had the stage not been set by the right hon. Prime Minister (Mr. Trudeau). He started the bill on its way with considerable confusion, which is normal. Many hon. members recall our early questions about the Olympics in January of this year, just after this Twenty-ninth Parliament opened. Hon. members will recall the hon. member for Vancouver South (Mr. Fraser) directing a question to the Minister of National Health and Welfare (Mr. Lalonde), only to be told he did not answer for the Olympics. They will then recall several questions being put to the right hon. the Prime Minister about the Olympics. The answers were obscure and contained little information, which again is normal. Then in reply to direct questioning he told a surprised House that the Minister of State for Urban Affairs (Mr. Basford) would answer questions on the Olympics.

Well, now, this was clearly no way to start off on the Olympics. The Minister of State for Urban Affairs wears slip-on shoes because he cannot tie his shoelaces. That is about par for the course.

After watching the performance of the Postmaster General (Mr. Ouellet) when he appeared before the committee, we really should award him a medal for being the most evasive witness. His footwork was fantastic. He would say one thing, then another, then contradict the first statement; then, when pressed, he blamed it all on the translation. Anyone who attended the late sittings will recall how the hon. members opposite barked when the Postmaster General commanded. When he shook his head they placed their gags in their mouths.

Of course, we all know about the famous letters from the Prime Minister to Premier Bourassa, Mayor Drapeau and Mr. Rousseau, and the famous guarantee replies he waved before the House before he tabled them. As the hon. member for York Simcoe (Mr. Stevens) pointed out, they have little legal value and would not stand up in court.

If we could give a prize for a sloppy bill, we would award it to the President of the Treasury Board (Mr. Drury). He should also be given honourable mention for his efforts on the silver blades. He skated all around the bill, and it appeared to many of us that he was wrongly placed for he was clearly more evasive than was the Postmaster General. But he did his compulsory figures well, except they did not add up. He could not explain the difference in the budget drawn up by the Olympic committee and his own Treasury Board. After two nights of skating around the problem, someone whispered in his ear that the Olympic committee would run a lottery and settle the deficit in this way. I think that official deserves honourable mention because the minister at that point was about to throw in the towel.

• (2140)

The events we watched were amazing. We learned that coins which are to be minted are to be sold at a discount. Never in our history have we sold our money at a discount, so we put in an amendment to stop that.

An hon. Member: What happened?

Mr. Kempling: We learned that COJO was classed as an amateur athletic association and would be eligible for grants under the Fitness and Amateur Sport Act. There is a slick way to balance the budget. We will have to watch it, and will have to watch future estimates submitted by the Minister of National Health and Welfare. The hon. member for Fraser Valley West drew our attention to this in committee; I commend him for that.

Then, to our surprise, we found that Bill C-196 was open-ended. There was no limit as to the amount of coinage that could be minted, so we put an amendment in to cover that. We also found that there was no limit on the profit or seigniorage that could accrue to COJO, in spite of the fact that COJO had asked for a specific amount of money. So we covered that with an amendment.

As well, we defined by way of an amendment what was meant by postal related products, as this term was unclear even to the Postmaster General (Mr. Ouellet). All in all we submitted six amendments and one new clause. The bill only had 12 clauses; it was printed on six pages. We made several significant changes to the bill. We put in several safeguards and generally made the bill a little more palatable than it was when we had first read it.

The committee meetings were the worst I have attended. The hon. member for Trinity (Mr. Hellyer) remarked that they were the worst meetings he had attended in 20 years. The turning point came about two o'clock one morning, after a particularly bitter meeting. The hon. member for Laval (Mr. Roy) had previously blown the meeting by confusing the hand signals of the Postmaster General. The President of the Treasury Board and the Postmaster General stood talking to two members of my party at two o'clock in the morning. I will not betray the confidences of

private conversations, but the two ministers at this point realized we really wanted the bill passed, and that some straight talk was necessary with no more "fancy Dan stuff". We just wanted straight talk from here on, or it would be no show.

From that point we made good progress, and the bill was in due course amended. It passed through the committee stage and came before this House on the report stage. The tragedy of the bitterness that was evident at the committee meetings was really all unnecessary. If the President of the Treasury Board or the Postmaster General had had any foresight, they would have circulated an information paper and avoided much of the time spent in debate in committee. They would have had an explanation at hand to explain the difference between the COJO budget and the Treasury Board budget. The Postmaster General would not have had to hide behind the translators. The Master of the Mint could have told us openly that he had proceeded in February to design the Olympic coins; he could have revealed his authority for such action and thus saved the committee much time.

In conclusion, Mr. Speaker, let me say that all this is behind us and I think it would be better if we ended this debate on a conciliatory note. When this bill passes we will see the people at COJO swing into action. I wish them well. I hope that the Olympics in 1976 are a great success. I hope we will be able to capture some of the spirit of the games. I hope that those who expressed doubts about the financial aspects of the Olympics will be proven wrong. We want the Olympics to succeed. We hope the Olympics will become a symbol to the young people of this country and to the world.

We hope that all those persons of the press who have up to now been overly critical of the Olympics will, with the passage of this bill, climb on board and help us to make the 1976 Olympics a success.

An hon. Member: Has the hon. member finished yet?

Mr. Kempling: I will speak for about 30 seconds more. Let the Olympic motto, *citius, altius, fortius,* become the national motto of our youth. The Olympic Oath states:

—in the name of all competitors I promise that we will take part in these Olympic Games, respecting and abiding by the rules which govern them in the true spirit of sportsmanship, for the glory of sport and the name of our teams.

The Olympic Creed says:

The most important thing in the Olympic Games is not to win but to take part, just as the most important thing in life is not the triumph but the struggle. The essential thing is not to have conquered but to have fought well.

Let us resolve, Mr. Speaker, that this oath and creed will become our Spirit of '76.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker—

An hon. Member: You have five minutes.

Mr. Leggatt: Someone says I have five minutes. I will try to be brief. I do not think the hon. member for Fraser Valley West (Mr. Rose) needs defending. Someone said he is inconsistent. I remind the House that consistency is the hobgoblin of tiny minds. It seems to me the hon. member was flexible enough to examine this bill carefully and see the tremendous holes which have developed in it since we first looked at the financing of these games.

Many here have said that they are not opposed to the Olympic games but are opposed to the method of financing. I do not speak for my party when I say that I am opposed to the Olympic games, regardless of the Mickey Mouse method of financing that has been brought forward. Even a cursory review of the history of the last two games ought to convince anyone that they make no real contribution to international understanding.

When you remember, Mr. Speaker, the assassination of the Israelis at the Munich games and the slaughter of Mexican students in the 1968 games, you realize that the games do nothing whatsoever to advance or encourage the health of participating athletes. If the games do not do either of these things, why should we bother with them? It will be far better to restructure the Olympics and eliminate the national chauvinism that goes with the games than tolerate them as they now are.

Let us look at the effect the Olympics will have on this country and compare them with the kinds of national athletic events that we ourselves sponsor outside the international field, events like the one in my riding. I am referring to the Canada summer games in New Westminster. For a federal investment of less than $2 million, 3,000 athletes will participate. How many Canadian athletes will participate in the Olympic games?

An hon. Member: Many.

Mr. Leggatt: What real contribution will we make to national fitness through these games and with this fantastic investment of money?

The hon. member for Saint Hyacinthe (Mr. Wagner) said this afternoon that the games are desirable because there is too much emphasis on professionalism in this country I agree. The Olympics do not represent amateurism; they represent "shamateurism," and we have known it for a long time. The Olympic oath is more honoured in the breach than otherwise. The Olympics are simply another extension of professional sport; and it is appropriate that the edifices which will be created for the games and funded by the people of Canada will probably be used for professional football and professional baseball in Montreal.

The hon. member for Joliette (Mr. La Salle) said that we should not worry so much about the lack of community facilities since the facilities to be built will stay after the games. I think it is far better to spend the money this way and advance the cause of genuine community sport than spend it on the kind of wasteful extravaganza that is to take place.

If we spent that same amount of money on Montreal and the surrounding area in providing facilities, we could have Olympic champions for the next 40 years instead of the wasteful circus that is going to take place.

The comment has been made that this is an anti-French position. On the contrary, this is a pro-French position. It is the kind of position that supports the provision of money for thousands of people in Quebec who are denied adequate community facilities. Instead of giving them these, we are giving them circuses. I was delighted with

the speech of the hon. member for Matane (Mr. De Bané). His attitude towards these games is genuinely patriotic. He understands the true social significance of what is being done with regard to those games.

• (2150)

I want to read part of an editorial that appeared in the Windsor *Star*. I quote:

Canada should seriously consider the implementation of this sports-for-all program. The demand for sport facilities is there, the goals are desirable, and most important, the concept of financing the program with would-be Olympic funds should be agreeable to the taxpayer.

I believe it is time for the government to abandon the Olympic Games, subdue its hysterical concern to develop Olympic athletes, and place emphasis on public recreation.

Sport is not for the elite performer—it is for everyone.

Thank you, Mr. Speaker.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I recognize the desire of the House to proceed with the passage of this bill this evening. I assure Your Honour and all members I am not going to prolong the debate on this bill far beyond the normal hour of adjournment. If I request five minutes or so after ten o'clock, I hope I will have the permission of the House. I will sincerely try to limit my remarks to the time between now and ten o'clock to make my remarks on this bill.

I have severe reservations whether this is the right way to raise money for the promotion and development of sport facilities to enable Canada to be host to the 1976 Olympics. Having been a politician for a number of years and representing a constituency in Alberta where Social Credit finance has been advanced, I am not particularly keen on this method of raising money. For the past 15 years I have had some success in rejecting Social Credit finance. I have some degree of hesitation in suddenly finding myself having to accept the theory of Social Credit financing in supporting that which appeals to my nationalistic pride and to my physical well-being, namely amateur sports.

I have always considered myself something of an athlete.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): I am somewhat prepared to play the game, whether it be baseball, fastball, hockey or football. I have run a few races in my day and have entered myself in some track and field competitions, such as hop, skip and jump. Even with my desire to prove myself in those sports, I fail to find myself overwhelmed all of a sudden by becoming involved in voting for Social Credit theory. As much as I might like my confreres in the far right of the chamber, I have not to this day accepted their philosophy.

Whether this House likes it nor not, the bill before us endorses their principle and concept. Is it good for those things we hold dear to our hearts, such as hop, skip and jump, the Olympics, pole-vaulting and other rugged sports that Canadians hold dear to their hearts? Is it good for them but not for those who are handicapped, or deprived of that food, shelter and clothing which we say is a necessity for all Canadians living within the bountiful boundaries of our nation? I do not think one should hasten the passage of a bill so endeared.

It causes me some concern to look upon the provision for coinage, stampage and lotteries that we have approved for this purpose but for no other. For a number of years I have sponsored a lottery bill in this House. It has repeatedly been rejected. I have always paid close attention to the postage privileges that are enjoyed, but on this occasion we are going one step further and saying that coinage is also necessary.

I do not want to repeat what has been said before with regard to coinage. However, I have a letter in my possession which was written to the Prime Minister (Mr. Trudeau) by Mr. Rousseau, chairman and commissioner general of the Olympic games. In his letter he states:

May I emphasize that the self-financing formula in question presents a very important advantage:—

I would be the first to agree with that. It certainly does present an important advantage. He went on to say:

—it can be drawn up in general terms so that it can readily be applied, when necessary, in the case of other major events that the federal government may want to support.

I am thinking in particular of the Commonwealth Games that are to take place in Edmonton in 1978 and perhaps other international games that might be held in Vancouver, Halifax or Toronto.

I do not know about other international games that may be held in Vancouver, Halifax or Toronto. I do know that the Canadian summer games will be held in Lethbridge in 1975, and I hope the federal government will make a sincere contribution toward them. This person linked the all international games as one. He suggested the 1976 Olympics should be linked relatively closely to the Commonwealth games to be held in Edmonton in 1978.

Before this bill is passed, I hope the President of the Treasury Board (Mr. Drury) will state whether the same consideration will be given to the Commonwealth games that are designated to be held in Edmonton in 1978.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): I have not been in close contact with the mayor or any other person with regard to the Edmonton games, although I have received some correspondence. I have been asked to be an honorary director of the 1978 games and I have accepted that privilege. By so doing, I must pay close attention to the financial obligations those games will place upon the citizens of Edmonton, the province of Alberta and Canada.

Before proceeding with the passage of this bill, I hope the President of the Treasury Board will say that he agrees to the issuing of coins, postage and lotteries for the Commonwealth games in order to sustain the Commonwealth games. Let us support amateur athletic ability in the countries of the Commonwealth.

• (2200)

Having said that, I recognize the hour is closely approaching ten o'clock. I hope the President of the Treasury Board will rise quickly before then, before anyone in this House has a desire to call it ten o'clock, and assure us that these same privileges will be afforded the city of Edmonton when it plays host to the Commonwealth

games. If he would do this, it occurs to me the House might not see the clock and might readily agree to pass the bill. But if he does not find himself in a position to do so, then I think there are members here who would call it ten o'clock, in which case we could not pass this bill tonight. I notice the hon. gentleman appears anxious to rise, and in these circumstances I quickly resume my seat.

Mr. Drury: Mr. Speaker an invitation has been issued to me. I only wish I had the authority to respond in a positive way and give the assurance the hon. gentleman is seeking.

As you know, Mr. Speaker, we have been considering at some length the measures which should be taken by the government, by Canada, in respect of the Olympic games. This is a program tailored for the Olympic games. Consideration has not yet been given to the Commonwealth games, which I understand will come two years later, but it would be my own personal view that the Liberal government would not be prepared to see done either for or against one part of the country something which it would not be prepared to do, to the extent it was appropriate, either for or against another part of the country.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: It appears the House is ready for the question. The question is on the amendment (Mr. Peters). All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those against will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the amendment (Mr. Peters) which was negatived on the following division:

(*Division No. 36*)

YEAS

Messrs:

Barnett	Knowles (Winnipeg North Centre)	Nesdoly
Benjamin	Leggatt	Nystrom
Broadbent	Lewis	Orlikow
Firth	MacInnis (Mrs.) (Vancouver Kingsway)	Peters
Grier	Nelson	Rodriguez
Harding		Rose
Harney		Rowland
		Saltsman
		Symes—21.

[Mr. Horner (Crowfoot).]

NAYS

Messrs:

Allard	Fox	McCain
Allmand	Frank	McGrath
Andras	Gauthier (Roberval)	McKenzie
Baker	Gauthier (Ottawa East)	McKinley
Baldwin	Gendron	Morin (Mrs.)
Beattie (Hamilton Mountain)	Gillies	Muir
Beatty (Wellington-Grey-Dufferin-Waterloo)	Goyer	Munro (Esquimalt-Saanich)
Beaudoin	Gray	Munro (Hamilton East)
Béchard	Guay (Lévis)	O'Sullivan
Bégin (Miss)	Guilbault	Ouellet
Bell	Herbert	Paproski
Blais	Higson	Pelletier (Hochelaga)
Blenkarn	Hurlburt	Penner
Blouin	Isabelle	Portelance
Boisvert	Jelinek	Poulin
Boulanger	Jerome	Prud'homme
Breau	Kempling	Railton
Buchanan	Knowles (Norfolk-Haldimand)	Reid
Caccia	Lachance	Rondeau
Campbell	Lajoie	Roy (Laval)
Caouette (Charlevoix)	Lalonde	Sauvé (Mrs.)
Caouette (Témiscamingue)	Lambert (Edmonton West)	Sharp
Caron	Langlois	Smith (Saint-Jean)
Clarke (Vancouver Quadra)	La Salle	Stackhouse
Clermont	Lawrence	Stanfield
Coates	Leblanc (Laurier)	Stevens
Comtois	Lefebvre	Stewart (Okanagan-Kootenay)
Cullen	L'Heureux	Stewart (Cochrane)
Darling	Loiselle	Towers
Dinsdale	MacDonald (Egmont)	Trudel
Dionne	MacDonald (Miss) (Kingston and the Islands)	Turner (London East)
Drury	MacEachen	Wagner
Dubé	MacGuigan	Watson
Dupras	MacInnis (Cape Breton-East Richmond)	Whicher
Duquet	Madill	Yanakis
Ellis	Marceau	Yewchuk—114.
Ethier	Marchand (Kamloops-Cariboo)	
Fairweather		
Faulkner		
Fleming		
Foster		

● (2230)

Mr. Speaker: I declare the amendment lost.

Mr. Peters: Ten o'clock.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member has called it ten o'clock. I have to remind hon. members that a motion to adjourn the House is now deemed to have been put and seconded at this time. May we have order, please.

[*Translation*]

Order. Might I remind hon. members that this House is still sitting. The hon. member for Scarborough East (Mr. Stackhouse) has the floor.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

AIR TRANSPORT—SUGGESTED PROVISION OF SHUTTLE SERVICE BETWEEN TORONTO-MONTREAL AND TORONTO-OTTAWA

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I should like to discuss the implications of the question I addressed recently to the Minister of Transport (Mr. Marchand) on the subject of the shuttle service between Toronto and Ottawa. More than 1400 passengers fly back and forth by Air Canada between those two cities on any typical business day. Their number will increase as each year the nation's capital becomes the place where businessmen must come for negotiations with, and decisions from, a growing number of federal agencies which are making this city the head office of almost every enterprise in Canada. It is therefore time we looked more closely at ways of improving the vital air link between these two cities, each of them a political and financial capital.

One improvement might be a shuttle service, since it is often difficult for a person to know when his business in Toronto or Ottawa will be finished. He may make reservations only to find he must stay longer. Then he must attempt new reservations, which often are difficult to arrange, and on some days, such as Friday, impossible. The advantage of the shuttle would be that the individual would know that at certain times planes would be leaving and that he would have a number of chances to get a flight to Toronto or Ottawa.

Shuttle services are provided now by Eastern Airlines in a network that links Boston, Washington, Newark, New York and Montreal. In the Montreal-New York shuttle, each passenger is guaranteed a seat on the plane. When a plane fills up, another is provided so that no one is left standing at the terminal. In spite of this guarantee the cost is no greater than that of the economy flight on Air Canada from Montreal to New York. Thus, anyone travelling between those cities knows that at scheduled hours he can get a flight just by showing up at the terminal with his $34.

Pacific Western Airlines runs a shuttle between Calgary and Edmonton. It does not guarantee a seat to everyone who shows up but at peak times it does add extra planes. At rush hour times it provides a flight every half hour. Both privately-owned companies inform me that their shuttle services are operating in the black, Pacific Western having operated the Calgary-Edmonton shuttle for many years.

I therefore urge the minister to recommend that Air Canada look again at this proposal. If there is good reason why it should not be tried out in the Toronto-Ottawa service, I recommend this compromise: let Air Canada add extra planes during certain rush periods, or, at least, let it provide a shuttle in Toronto's terminal No. 2, itself almost a mile long. The present jitney service is totally inadequate. Often the cars are not working; never are there enough. Surely the ministry of transport can do as good a

job at terminal No. 2 as the House of Commons buses do for M.Ps here. If the minister cannot give us a shuttle between Ottawa and Toronto, let him at least give us one between one end of terminal No. 2 and the other.

Mr. Ian Watson (Parliamentary Secretary to the Minister of State for Urban Affairs): Mr. Speaker, further to the hon. member's question about domestic shuttle service possibilities between Toronto and Montreal or Toronto and Ottawa, I should like, first of all, to elaborate on the rapid air system which is now in effect between Toronto and Montreal.

A year ago Air Canada introduced the rapid air system in order to better serve the local needs of Toronto-Montreal passengers. Although the rapid air system is not a full shuttle in the open, no reservations sense, those people who do show up without reservations are usually accommodated on the flight of their choice. Most of the exceptions occur at peak traffic time, when passengers with no reservations may have to wait for one or more flights. Rapid air is, however, a very frequent service, contrary to U.S. shuttle services which tend to operate every hour or two. Rapid air offers an average of 22 flights per day in each direction.

● (2240)

A shuttle is just one of the number of ways of carrying passengers, but it cannot be introduced without taking into account the travel demands of the public at large. For example, many of the flights now operating as part of the rapid air system carry passengers beyond Toronto and Montreal to other parts of the country. Scheduling these passengers through the Toronto-Montreal corridors has been beneficial to them because it has permitted greater flight frequency to these other points. Similarly, the local Toronto-Montreal passengers have benefited because these through flights have meant a more frequent rapid air schedule.

In addition to rapid air, in the past year Air Canada has introduced an innovated pricing structure on domestic services that has lowered average fare levels considerably, mainly through general fare reduction on long-haul services and through all peak 30 per cent "Explore Canada" fare discounts on long and short-haul services.

These two programs demonstrate that Air Canada does its best to provide the best possible service at the lowest possible prices, and I am advised that further improvements can be expected over the next year.

EXHIBITIONS—EXPO '74, SPOKANE, WASHINGTON—REASON FOR FAILURE OF CANADA TO HAVE PAVILION

Mr. Randolph Harding (Kootenay West): Mr. Speaker, this afternoon in the House of Commons I asked the Acting Prime Minister (Mr. Sharp) why Canada had decided not to participate in Expo '74 which is to be held in Spokane, in the State of Washington, in view of the fact that months ago Canada indicated that a Canadian pavilion would be constructed for Canadian exhibits. I also asked the minister if the government would reconsider its position on this very important matter.

In replying to the question the minister indicated that the government had given the matter a great deal of careful study and had come to the conclusion that there were other and more important priorities for the $1.5 million than the building of a Canadian pavilion at Expo '74.

In my frank opinion the government has received some very poor advice in regard to this matter. I do not know what kind of study was carried out, but it looks to me as though some civil servants tucked away in a ministerial office in Ottawa have again scratched out an important project simply because they knew very little about it. This is another example of federal bureaucracy ignoring important issues in Canada.

It is my intention this evening to outline for the minister a number of reasons why I feel the government should re-consider its position on this very important matter.

The first point I would like to make is that a Canadian pavilion at Expo '74 would be an excellent investment as far as favourable publicity for Canada is concerned. There will be many hundreds of thousands of visitors to Expo '74 from all over the United States and many other countries. The excellent opportunity which this offers to publicize our country and its many assets should not be passed over. Spokane is very close to the Canadian border and a number of Canadian exhibits to advertise what our country has to offer in the way of tourist attractions could generate tens of millions of dollars in tourist revenue, even during the time the exposition was in progress. It seems to me that this one major aspect alone is well worth the investment involved.

The tourist industry has become a major revenue-producing asset for Canada. We spend vast sums of money at every level to promote it. Canadian scenery is something we can sell over and over again without depleting the resource, yet when a major opportunity presents itself to us to really promote our scenic grandeur, at a time when many hundreds of thousands of visitors will be within a short drive of the Canadian border, we find our federal government unaware of the opportunities presented by Expo '74.

A Canadian pavilion would not cater only to tourism. It could be the display centre for our arts, crafts and a host of other Canadian skills which we wish the world to know about. This investment in a pavilion would be the most economic and effective type of advertising that any country could devise. It is not a one-shot affair, for the advertising carries over for several months. This is something the federal government should not take lightly.

One of the most disappointing aspects of the federal government's short-sighted decision will be the feeling by many western Canadians that once again Ottawa has failed to help promote western Canada, which stands to gain most by Expo '74 and any federal participation in it. It is discouraging to the large number of organizations in British Columbia and Alberta which have been promoting Expo '74 to realize that our federal government wants to have no part of it. If private organizations and provincial departments realize the value of Expo '74 to the Canadian scene, then surely the federal government can make funds available for a Canadian pavilion and give some real leadership in promoting it.

[Mr. Harding.]

There are many other aspects which enter into the picture of Canadian participation in Expo '74, including that of good public relations with our neighbour to the south. It seems rather odd that the Canadian government, after committing itself to participate in Expo '74, suddenly decides that a Canadian pavilion cannot be built. No doubt some reason can be advanced for the federal decision, but it will appear to many Canadians to be just another weak federal excuse to overlook Canadian interests, especially in the west.

There is another aspect of Expo '74 which I would like to bring to the attention of the government. A Canadian pavilion would mean a large number of jobs for young Canadians over a period of several months. A major increase of tourists to Canada during this period would also result in a large number of additional summer jobs for young Canadians. Active promotions by means of federal participation in Expo '74 could be a major factor in improving the job situation, and this aspect should not be overlooked.

Time does not permit me to expand further on this topic, Mr. Speaker. Frankly I feel the federal government has made a serious mistake by withdrawing from its proposed participation in Expo '74. I would urge the minister and the government to immediately reconsider the decision made yesterday and I trust that any reconsideration will result in a Canadian pavilion at Expo '74.

● (2250)

[*Translation*]

Mr. Pierre de Bané (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I feel it would be most difficult not to agree with the hon. member when he speaks of the benefits of Expo '74. The problem lies in the cost, and I feel that the Secretary of State for External Affairs (Mr. Sharp) gave the hon. member quite a clear answer this afternoon.

As he explained, Canada's participation in the Spokane World Exhibition on the human environnment was studied in detail, and we reached the conclusion that in view of the budgetary restrictions of the government, earmarking credits in the order of $1,850,000 to that end would not be justifiable in 1974. This having been said, I am sure we all hope that Expo '74 will be a real success.

CANADIAN NATIONAL RAILWAY—QUEBEC—OBLIGATION OF EMPLOYEES IN PASSENGER SERVICE TO BE BILINGUAL

Mr. Eudore Allard (Rimouski): Mr. Speaker, the question I put to the Minister of Transport (Mr. Marchand) on July 19, 1973, which is reported in *Hansard* at page 5782, reads as follows:

Can he tell the House if the employees of the Canadian National in the Quebec passenger service must be bilingual?

Since I did not get a reply, I want to point out to the House, and in particular to the Minister of Transport (Mr. Marchand), that it is unthinkable that in 1973, one should have to ask such questions, after the Canadian government spent millions of dollars to promote bilingualism.

Mr. Speaker, there is at this time in Quebec an explosive political climate in respect of language problems. There-

fore, what is the federal government doing about this ticklish matter? Let me give you some examples of the way Quebecers are treated.

Some of my constituents have complained that CNR employees in the passenger service could only speak English. Others have complained that some governmental services in the National Capital had no bilingual staff.

Also what about departments which are looking for English-speaking unilingual employees saying nothing of messengers who suffer from blatant injustice? By that I mean that there is no difference in pay for a bilingual messenger as compared with an English unilingual one. The same situation prevails for the security personnel of the House of Commons.

I received another complaint this morning; the Public Works Department is advertising an open competition, bearing No. 73-PW-CR-CC-15, for hiring a foreman for various jobs. It is provided on page 3, in the language requirements section, that knowledge of English is essential. Nothing is said about requirements concerning the French language. It seems that this is the procedure followed by most departments with respect to the working language; it is a strange way to implement the language policy announced in this House some time ago.

The purpose of my intervention, Mr. Speaker, is not to play politics, but rather to point out to the government the frequent inadequacies which are observed in all departments so that the leaders of this country may be fair and equitable to all Canadians, whatever their culture.

The government's behaviour which I denounce now is but provocation aimed at French speaking Canadians. Let us recall that during the 1968 general elections, the present Prime Minister (Mr. Trudeau) would enjoy talking to Quebecers about his so-called policy of bilingualism and his just society.

Ever since that time, his promises have fallen into oblivion, as though in a deaf ear. The same applies, by the way, to all the election promises made over the past hundred years.

I shall take a few more minutes to denounce also some opposition members who, during the last election campaign, used French Canadians as a springboard to win seats in some Western ridings at the expense of other parties.

Mr. Speaker, I dare not use the words that are coming to my mind in these circumstances; but I wish all hon. members to know that if I speak tonight it is in an effort to make this government realize the necessity of protecting the unity of our country.

Before my election to this House as member for Rimouski, I was often inclined to condemn certain French-Canadians who were saying that life in French Canada was dreadful. Today, I understand and I can tell where separatism originated from. Wherever they are, to my left, to my right or in front of me, in this House, I have been able to spot the real agitators since the beginning of this session.

In future years, we will have to try by all the means at our disposal to find solutions to enable all Canadians of whatever culture to live in a healthy atmosphere favouring understanding between the different groups so that our people may be against segregation.

In conclusion, I ask the House, Mr. Speaker, to keep a careful watch over our national unity, if we want the Quebecers to keep on paying taxes to allow the federal government to continue its grants to Western Canada.

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I am speaking tonight on behalf of the Parliamentary secretary to the Minister of Transport (Mr. Guay) who is not in Ottawa today.

Since the fall of 1968, all new employees hired to work on passenger trains in the province of Quebec must be bilingual pursuant to agreements concluded with the Canadian Brotherhood of Railway, Transport and General Workers as well as with the Brotherhood of Railway Workers.

Currently, the situation in the province of Quebec may be summarized as follows: out of a total of 416 employees in the passenger service and meal service, only 50 are unilingual English-speaking people, i.e. only 25 out of 150 employees working in passenger trains; however, the latter have at least followed a French course of 17 days.

I am informed that the seniority agreements with the unions involved prevent—for these employees hired prior to 1968—the Canadian National from forbidding the few English-speaking unilingual employees to fill in the passenger trains certain positions which they are entitled to occupy because of their seniority.

However, we are assured that the passenger train services are always provided in both official languages.

It is to be noted that the previous information concerns the St-Lawrence region.

Other trains in Quebec are staffed by personnel from Toronto or Halifax. In both those cities, the knowledge of French is being improved progressively for the personnel likely to work on trains travelling through Quebec, through an appropriate hiring policy and especially French courses.

A bilingual service is offered by the Canadian National at all its passenger stations.

I wish to thank the hon. member who just rose—

Mr. Speaker: I regret I must interrupt the Parliamentary Secretary, but his time is expired.

Motion agreed to and the House adjourned at 10.59 p.m.

HOUSE OF COMMONS

Friday, July 27, 1973

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am rising to make a statement about the possibility of concluding this part of the session today. There have been a number of discussions among the representatives of the various parties and I believe that we have a basis for proceeding, which is that we would adjourn, following royal assent to the Olympic bill, until October 15 barring any emergency that would require the recalling of the House.

We have also provided for a method of dealing with the capital punishment bill, Bill C-2. It would be dealt with under certain conditions which are specified in the motion. They are, that on the first day the order is called we would deal with the amendments at the report stage, and then we would have third reading, with extended hours, without any amendments and with the length of speeches being limited, but not their number. Finally, we have agreed that we will have the vote on third reading at a time to be agreed upon by representatives of the parties. On the basis of that statement, I wish to seek unanimous consent to have this motion moved by my colleague, the President of the Treasury Board (Mr. Drury).

May I also seek the consent of the House, once this motion is put by unanimous consent, not to proceed with debate on the motion immediately, in order that we may deal with another matter, namely, the Olympic bill. If we could call it immediately, by consent, it would get to the other place and it might be possible for us to adjourn after royal assent at about four o'clock.

May I first ask for consent to have the motion moved by my colleague. If that is forthcoming, I will then ask for consent not to proceed with debate on the motion, and call Government orders solely for the purpose of giving third reading to the Olympic bill.

● (1110)

Mr. Diefenbaker: Mr. Speaker, I do not quite understand what the minister has in mind with respect to the capital punishment bill. Does this mean it is off until October? If that is so, will he advise the House what the attitude of the government will be respecting applications that may come before the government between now and October, on behalf of convicted persons, for commutation of the death sentence?

Mr. MacEachen: Mr. Speaker, I have not given consideration to that problem, nor have I anticipated the question. However, the tradition has been that each case is dealt with on its merits by the government. Exactly the same procedure will be followed with cases which come before the cabinet prior to our dealing with this bill.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I will not object if we forgo the debate and immediately pass to the concurrence of the motion on third reading of the bill, but I would like to raise the question of privilege to advise Your Honour and all members that in addition to the 1976 Olympic Games, we will have this year, the Quebec Summer Games in Rouyn-Noranda from August 15 to 26. I invite all members and especially Your Honour.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise merely to say we are prepared to give consent to the putting of the motion for adjournment as outlined by the President of the Privy Council (Mr. MacEachen).

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Hon. C. M. Drury (President of the Treasury Board) moved:

That when the House returns from the giving of the royal assent to Bill C-196, an act respecting the 1976 summer Olympic games, it shall adjourn and shall stand adjourned until October 15, 1973, provided always that, if it appears to the satisfaction of Mr. Speaker, after consultations with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time;

That in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for the purposes of this order;

That the hours of sitting on any day on which Bill C-2, an act to amend the Criminal Code, is designated as the business to be taken up under government orders shall be as follows: Mondays, Tuesdays and Thursdays, 11.00 a.m. to 1.00 p.m., 2.00 p.m. to 6.00 p.m., 8.00 p.m. to 11.00 p.m. Wednesdays, 2.00 p.m. to 6.00 p.m., 8.00 p.m. to 11.00 p.m. Fridays, 11.00 a.m. to 1.00 p.m., 2.00 p.m. to 5.00 p.m.

That there shall be no consideration of private members' business on any day on which Bill C-2 is considered;

That on any Monday, Tuesday or Thursday on which the House, in accordance with this order sits at 11.00 a.m., government orders shall be taken up between 11.00 a.m. and 1.00 p.m. and routine proceedings shall be taken up at 2.00 p.m.;

Olympic Bill

That 15 minutes before the hour of adjournment, as established under this order, on the next day that is designated for the resumption of the consideration of the report stage of Bill C-2, Mr. Speaker shall interrupt the proceedings then in progress and he shall put forthwith, successively, without further debate or amendment, every question necessary to dispose of the report stage of Bill C-2;

That no amendment shall be permitted to be proposed to the motion for third reading and passage of Bill C-2, nor shall any other dilatory, superseding or privileged motion, including any motion pursuant to Standing Order 46, be permitted to be proposed on any day designated for the continuation of Bill C-2 except with the unanimous consent of the House:

That during the debate on the motion for third reading of Bill C-2 the first speaker from each party shall speak no longer than 30 minutes and subsequent speakers shall speak no longer than 20 minutes; and

That should a recorded division be requested on the motion for third reading and passage of Bill C-2, the said division shall be deferred to a time to be announced by a minister of the Crown, after reaching agreement with representatives of each party, but the said division shall not be deferred for a period of more than one week.

Mr. Speaker: Shall the motion carry?

Mr. MacEachen: Mr. Speaker, I understood that we would suspend our proceedings at this point and return to them after we have dealt with the third reading of the Olympic bill.

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OLYMPIC (1976) BILL

PROVISION FOR ISSUING OF COMMEMORATIVE COINS AND STAMPS AND HOLDING OF LOTTERY

The House resumed, from Thursday, July 26, consideration of the motion of Mr. Drury that Bill C-196, respecting the 1976 summer Olympic games, be read the third time and do pass.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I am amazed at the inconsistencies and irrelevancies, quoted by some hon. members in support of this Olympic bill. Some of the statements made by the hon. member for High Park-Humber Valley (Mr. Jelinek) struck me as being particularly farcical. The hon. member spoke about the ability of Canada to bring back a more human and modest dimension to the games. Mr. Speaker, can you imagine 9,000 athletes, 250,000 spectators a day for two weeks, and an expenditure of $500 million being equated with a modest and more human dimension to the Olympic games? I think it is absolute bunkum to suggest it.

Mr. Speaker: Order. I think I should call the attention of the House to the fact that the hon. member for Nickel Belt (Mr. Rodriguez) has the floor. There are many conversations going on in the chamber. I appreciate that members have much to talk about before they leave for a few weeks, but I suggest those conversations might be carried out behind the curtains.

[Mr. Drury.]

Mr. Rodriguez: Thank you, Mr. Speaker. I appreciate that hon. members wish to get out for the summer break.

Some hon. Members: Hear, hear!

Mr. Rodriguez: But I am sure they can wait 40 more minutes.

Some hon. Members: Oh, oh!

An hon. Member: Don't forget crop insurance.

Mr. Rodriguez: I should like to point out, also, that on the same day the hon. member for High Park-Humber Valley stated that to win a gold medal was the goal of every athlete, and that the Olympics offered such an opportunity. It seems to me that is opposite to the view expressed yesterday when the hon. member for Halton-Wentworth (Mr. Kempling) read the Olympic creed which states that the most important thing in the Olympic games is not to win, but to take part. I suggest this is just the same as life; the most important thing is not to triumph, but to struggle. When we consider the forerunner to the Olympic games, we think of the Pythian games which were held in Greek times; we find that the first prize was a cauldron and the second prize was an unblemished fair maiden. As history would have it, everyone strove to be second, not first.

● (1120)

This leads me to ask whether this is what we are striving for. Is that what we are training people to accomplish, as far as the Olympic games are concerned? Is the purpose to win a gold medal? Is that the purpose for which we embark on any kind of sport program in this country—to be first? Is that the important point? I think that is what is wrong with the whole concept of the Olympic games, apart from the financial aspects of this bill. It seems to me that to be first is not the important thing but, rather, the important thing is preparing the athletes involved, preparing young people through an athletics program that is ongoing, rather than for three or four years in order that they can make an Olympics team and win a gold medal.

Furthermore, Mr. Speaker, two days ago an hon. gentleman, speaking on the bill, stated there was opposition to the financing proposals for these games. He said there was confusion. I suggest that if there is confusion about the financing of these games, that hon. member should not stand in this House and vote for the bill, particularly when members of his party raise legitimate questions about the way in which the games are being financed. Speaking on behalf of the Conservative Party, the hon. member said they will not accept any further financial obligation. That sounds to me as hollow as bamboo. As a matter of fact, hon. members to my right seem to be taking the position of what I call a mugwump. If you do not know what a mugwump is, let me explain.

An hon. Member: I know.

Mr. Rodriguez: I know you know, but I will explain it for the benefit of those who do not know. A mugwump is a creature that sits on a fence with his mug on one side and his wump on the other. It seems to me that is the position being taken by some hon. members of this House. The hon. member also pointed out that plans for housing the athletes are up in the air and far too many questions are unanswered. If all these questions remain unanswered, how can those hon. members vote for this bill? It amazes me that they can pose these questions but are willing to support the bill. The hon. member for York-Simcoe (Mr. Stevens) also reiterated very serious doubts about the whole bill and dismissed the minister and his officials as not understanding the financial proposals. If this is so, it seems to me they have no alternative but to vote against the bill.

It is fairly obvious that there will be a deficit of about $172 million. I want to know whether the Conservative Party or the Liberal Party, whichever one is in power in this country, will say they will not accept responsibility for that deficit. I suspect that they will very quietly pick up the tab and pay the bill, despite all the flim-flam they have shot around this House in the last few weeks.

I know that hon. members want to get away on their holidays, so I shall close now with an urgent plea to the Conservative members of the House not to support the bill on third reading.

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

Some hon. Members: On division.

Motion agreed to, bill read the third time and passed.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

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

That when the House returns from the giving of the royal assent to Bill C-196, an act respecting the 1976 summer Olympic games, it shall adjourn and shall stand adjourned until October 15, 1973, provided always that, if it appears to the satisfaction of Mr. Speaker, after consultations with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time;

That in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for the purposes of this order;

That the hours of sitting on any day on which Bill C-2, an act to amend the Criminal Code, is designated as the business to be taken up under government orders shall be as follows: Mondays, Tuesdays and Thursdays, 11.00 a.m. to 1.00 p.m., 2.00 p.m. to 6.00 p.m., 8.00 p.m. to 11.00 p.m. Wednesdays, 2.00 p.m. to 6.00 p.m., 8.00

p.m. to 11.00 p.m. Fridays, 11.00 a.m. to 1.00 p.m., 2.00 p.m. to 5.00 p.m.

That there shall be no consideration of private members' business on any day on which Bill C-2 is considered;

That on any Monday, Tuesday or Thursday on which the House, in accordance with this order sits at 11,00 a.m., government orders shall be taken up between 11.00 a.m. and 1.00 p.m. and routine proceedings shall be taken up at 2.00 p.m.;

That 15 minutes before the hour of adjournment, as established under this order, on the next day that is designated for the resumption of the consideration of the report stage of Bill C-2, Mr. Speaker shall interrupt the proceedings then in progress and he shall put forthwith, successively, without further debate or amendment, every question necessary to dispose of the report stage of Bill C-2;

That no amendment shall be permitted to be proposed to the motion for third reading and passage of Bill C-2, nor shall any other dilatory, superseding or privileged motion, including any motion pursuant to Standing Order 46, be permitted to be proposed on any day designated for the consideration of Bill C-2, except with the unanimous consent of the House;

That during the debate on the motion for third reading of Bill C-2, the first speaker from each party shall speak no longer than 30 minutes and subsequent speakers shall speak no longer than 20 minutes; and

That should a recorded division be requested on the motion for third reading and passage of Bill C-2, the said division shall be deferred to a time to be announced by a minister of the Crown, after reaching agreement with representatives of each party, but the said division shall not be deferred for a period of more than one week.

Mr. Baldwin: Mr. Speaker, did I hear the order of the day read? I thought we were now back on the adjournment motion.

Mr. Speaker: The order read from the table was resuming consideration of the adjournment motion.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, there are some brief comments I think I ought to make before the question is put on the adjournment motion. First of all, with regard to the statement made by the President of the Privy Council (Mr. MacEachen) when he referred to the adjournment being to October 15, it is possible to interpret his remarks to indicate that the date October 15 was part of an all-party agreement. I should like to make clear that we in this party have not agreed to the date October 15. The selection of that date and the adjournment until that date is clearly the responsibility of the government. I wish to make very clear that we have not agreed to an adjournment of that length of time.

At this time I do not intend to review the work of the session and what has or has not been done, but I do wish to make a brief reference to two great problems which confront the country, as it is now being proposed that this House adjourn. The first problem to which I should like to refer briefly is, of course, the dispute between the railway companies and the non-operating unions—a matter of great concern—a dispute which is capable of doing great damage to the economy of the country as well as cause great inconvenience to the Canadian people.

We have been pressing the minister for some time to accept his responsibility, intervene in this dispute and play an active role in trying to bring the parties together with a view to settling the dispute and avoiding possible disruption of the Canadian economy. The minister's atti-

tude has been that he believes in the collective bargaining process and that it should continue. He has expressed belief in the good sense of the parties to the dispute. He says that if it seems to be desirable or in the public interest, he will play any role which seems to him to be proper, and if it becomes necessary the government will do what it ought to do. It seems to me and to the members of my party that the minister has been displaying a very casual attitude. The situation appears to be degenerating. We now have selective strikes taking place. We have the danger, at least, of retaliation from the railway companies. There is the possibility of lockouts, either partial or complete. The country is therefore faced, as this adjournment motion is before the House, with the possibility of grave disruption in the essential elements of our transportation system.

● (1130)

It is in this atmosphere that the government is proposing the adjournment of the House. I want to make it very clear that this is on its own responsibility, and that we are ready to stay here, if necessary, to face up to our responsibility as parliamentarians in this situation which virtually amounts to a crisis. We have been pressing, we continue to press and we shall press today for some assurance from the Minister of Labour (Mr. Munro) that he is prepared to accept his responsibility as Minister of Labour and intervene actively with a view to bringing the parties back to negotiations and to a settlement. We have had no success in persuading the minister to accept his responsibilities.

The minister and the government are proposing nothing except a "wait and see" attitude, with offers of mediation. Parliament is subject to recall and, of course, we are ready to come back any time, at very short notice, to meet any emergency that may develop. But I say to the minister and to the Acting Prime Minister (Mr. Sharp) that the government must not let the economy of this country and the people of this country suffer. There comes a time when the public interest must prevail, and we will expect this government to discharge its responsibility.

Some hon. Members: Hear, hear!

Mr. Stanfield: What we want specifically at this time is some assurance from the minister that he will fully discharge his responsibilities, play an active part and involve himself personally by taking the political risk that is associated with making a personal effort to get this dispute settled.

Some hon. Members: Hear, hear!

Mr. Stanfield: The second great problem that exists and to which I want to refer—

An hon. Member: Politics.

Mr. Stanfield: Politics? The second problem to which I want to refer, that exists at the time the House is being asked to adjourn, is the rapid increase in the cost of living that is taking place. I say, Sir, that the government has no approach to combat the increasing cost of living except to allow interest rates to increase and the possibility of tight money to develop. I remind the government again that the unemployment figures issued last month were a warning light that other problems may develop in the economy as a result of a slowdown in the rate of growth of the economy.

We have put forward a specific proposal regarding the fighting of inflation. The government does not accept that—that is its right—but I say that the government has prepared no effective attack on the cost of living, and in this respect the government is not governing.

Some hon. Members: Hear, hear!

Mr. Baker: They have not for a long time.

Mr. Stanfield: The kind of toothless review board which was set up by the government to review the price of food is no effective response. This government has insisted on holding on to office, and I say that if it is going to hold on to office it will have to discharge its responsibilities to the Canadian people. If anybody on that side of the House thinks the government will get away from opposition pressure on these issues just by having the House adjourn, I suspect he is in for a surprise. I know that the Prime Minister (Mr. Trudeau) expressed the view three or four years ago that all of us in the opposition were nobodies once we were a few hundred feet from Parliament Hill.

Mr. Diefenbaker: All members.

Mr. Bell: Look at what he did when he was away.

Mr. Stanfield: I just want to say that if the Minister of Labour does not accept his responsibilities in this railway dispute, and if the government allows the cost of living to continue to escalate as it has been escalating, they will quickly find out who really are the nobodies and how quickly they will become nobodies.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, it is always easy when a motion of this sort is put before the House to sound as if it were somebody else's responsibility and to attack the government for introducing the motion. However, I think in all fairness the Leader of the Opposition (Mr. Stanfield) should have said, as I intended to say, that the motion which is now before the House was agreed to by the leader of the Opposition's party as well as by the other opposition parties in the House.

Some hon. Members: Oh, oh!

An hon. Member: Another Liberal apologist.

Mr. Lewis: I do not think we serve the cause of parliament and the cause of relations among the parties in the House by trying to give the impression, when there has been an all-party agreement, that only one party is responsible for it.

Mr. Bell: It took you a week to find that out.

Mr. Lewis: Mr. Speaker, let me remind the members of the Conservative Party—I will come back to that remark in a moment—that before their leader spoke today they went around the House and in the lobbies telling everybody that we would be out of here if it were not for Stanley. These holier than thou people who wanted parlia-

ment to recess several days ago are now accusing others of putting the motion at this time. There really should be an end to hypocrisy at some point.

Some hon. Members: Hear, hear!

Mr. Lewis: Then we have the statement that there is a crisis on the railways—there certainly is—and the Leader of the Opposition and other members of the Conservative Party keep telling the government to do something about it. Let them be honest enough to say that they want the government to bring in a law today ordering the striking railway workers back to work.

Some hon. Members: Oh, oh!

Mr. McGrath: That is not so.

Mr. Muir (Cape Breton-The Sydneys): That is erroneous; it is not correct.

Some hon. Members: Cheap.

Mr. Lewis: If they are right, and that is not so, that is not what they want—and I hope they are—what, in heaven's name, do they want?

Mr. McGrath: We want the government to live up to its responsibilities.

Some hon. Members: Hear, hear!

Mr. Speaker: May we have order, please. It is extremely difficult for members at this end of the chamber to hear the hon. member for York South (Mr. Lewis). I would hope that the hon. member who has been recognized will be given an opportunity to make his remarks. Perhaps other hon. members who feel they have comments to make will have the opportunity to speak on the motion later.

• (1140)

Mr. Lewis: Mr. Speaker, I want the Minister of Labour (Mr. Munro) to live up to his responsibility and I want to make some specific suggestions to him. The idea that if the Minister of Labour appears at the negotiating table tomorrow it will settle the strike is a naïve and inexperienced idea. The time for him to appear is when there is an opportunity to settle the strike, which I suspect is not yet here, so demands that the minister go to Montreal and sit down at the negotiating table can only be made by people who know very little about negotiation.

Some hon. Members: Hear, hear!

Mr. Lewis: But there are things that the Minister of Labour can do now.

An hon. Member: Resign.

Mr. Lewis: I invite him to do them. One of the major problems which is embittering the railway employees at the present time is the widespread opposition among them to the pension plans that have been agreed to and the way in which those pension plans are handled by the railways. One of the things that undoubtedly would very quickly ease the situation among the railway employees out on strike would be the Minister of Labour immediately appointing an independent inquiry into the railway pension plans.

The minister should appoint someone to make an independent analysis of the railway pension plans, to make an analysis of their actual cost, to make an analysis of the plans in comparison with other industrial plans and with government pension plans. He should divulge to the workers of the railways the facts of their pension plans. If such an inquiry shows they are behind other industrial plans, as they are, and behind government pension plans, as they are, then the inquiry ought to make specific recommendations for changing those plans. Since Canadian National Railways are government-owned, there is no reason in the world why the government and this parliament should not order the CNR to treat their employees as they ought to be treated in the area of pensions.

There is another thing which the minister can do immediately, and in my opinion ought to do, to carry out his responsibility in this matter. It is obvious to anybody who is watching the situation that the railway employees are anxious to exercise their right to strike, and to exercise it in such a way as to minimize the harm it does to the economy and the people of Canada. It is equally obvious that the railways are determined not to let them carry on a strike which will minimize the harm to the economy. It is obvious that the CNR and the CPR in particular are threatening lay-offs, threatening not to recall those who are out on temporary strike, and are deliberately taking action to provoke a general strike or a general lockout in this country, hoping that this parliament will help the railways out by passing the kind of law ordering the employees back to work that some members of this House would like to see passed.

I believe that the Minister of Labour, speaking on behalf of the people of Canada as well as on behalf of the employees of the railways, ought to tell the railways, particularly the CPR and the CNR—more particularly the CNR—to cut out their shenanigans and act like responsible corporations, as they are a public utility of this country.

The railways ought to be requested, and if necessary in some way ordered, to play ball with the unions and to allow the unions to carry on the strike with the least possible damage to the economy of Canada, with the least possible damage to grain shipments and to the ferries that the unions have agreed to run. I say, Mr. Speaker, if the arrangement to work the Prince Edward Island and Newfoundland ferries should break down, and if continuing to ship grain should break down, it will not be the responsibility of the railway workers; it will be the responsibility of the railways and their deliberate provoking of a general strike. That is what will bring about a breakdown of the intentions of the railway unions.

An hon. Member: Baloney!

Mr. Lewis: I expected the hon. member for Edmonton West (Mr. Lambert), I think it was, or somebody from that group to say "baloney," but I say this is the key to keep the strike under control, doing as little damage as possible to the Canadian economy. The railway workers are suffering from the fact that they are in an essential service. They are given the right, under the law, to take action like

all other workers in this country, outside of certain excepted groups, are permitted to do. But the moment they do that and the moment their strike becomes effective, then everybody screams that they must go back to work because they are in an essential service. I say that men and women who are employed in an essential service in Canada are entitled to the same rights, the same conditions of work and the same decent wages as are all other employees in this country.

Some hon. Members: Hear, hear!

Mr. Lewis: These are the things that the Minister of Labour can do. I cannot, from my not inconsiderable experience in labour negotiations, tell him that he should go to Montreal tomorrow to the negotiating table because it does not look as though the settlement is there yet. I think that kind of intervention is better at a later stage.

There is a third thing that the minister can do immediately, and no one can stop him, and that is appoint an independent mediator. There is not much value in one of the officials of his department meeting with the unions and the railways. I do not say this because they are not competent, because Mr. Kelly is not a competent negotiator and mediator with a great deal of experience in labour matters, particularly railway labour. However, the Minister of Labour knows as well as I do that at this stage an officer of his department is not going to carry very much weight. He ought to appoint immediately, just as the strike has settled down—with a time limit, not of months but of a week or ten days—an independent mediator of standing in the community. The minister knows such people better than I do. He should appoint someone to go to Montreal, sit down with the two parties and try to squeeze a settlement out of them. In my view, a competent mediator could accomplish that within a relatively short time, a matter of a week or ten days. Particularly would that be the case if the minister appointed an independent inquiry into the pension plans and the monetary value of those pension plans which would give the mediator a chance to obtain the facts on these matters as he discussed them with the parties to the dispute.

These are practical things an independent inquiry into the pension plans, a strong statement by the government to the companies to stop their shenanigans and to co-operate with the unions in having the strike produce as little harm as possible, and the appointment of an independent mediator, a person with experience in the realm of labour relations, who has standing in the community and carries weight with both sides in the dispute. If the minister would do those three concrete things immediately, I think it would do a great deal to shorten the dispute and reduce the danger of real damage, particularly to the farmers of western Canada in the shipment of grain.

Mr. Speaker, on this kind of motion one should not make a lengthy speech. There are various things that concern us, but I do not know that parliament's sitting for another two or three weeks would solve those matters. Of course, it would not. But there are problems that concern us about the cost of living and the general economy. We dealt with them at our convention last week.

I merely want to say to the government House leader, the President of the Privy Council (Mr. MacEachen) that now that we have a sensible arrangement for completing the debate on Bill C-2, it will take a reasonable time, rather than an unreasonable time, even if there is no time limit. Obviously, it will take a reasonable time to complete that bill. There are on the order paper other bills which we are anxious to debate as quickly as possible. We should deal with the family allowances bill, the election expenses bill, the foreign investments bill—which has been dealt with by the committee and with other bills of that sort.

● (1150)

Finally, I suggest to the leader of the House that while the Senate is sitting and considering the Olympic bill, the crop insurance bill should be brought in and passed this afternoon. We do not see any reason for anyone to object to increased facilities for farmers in the area of crop insurance. That bill ought to pass without debate. If it does not pass, provincial governments will need to carry a much greater load of expense, because they have already reduced premiums in anticipation of the passage of the federal crop insurance bill. I do not see why that should not be done today in a few minutes before we recess.

My colleagues and I are disappointed that the Minister of Justice (Mr. Lang) who is in charge of the Canadian Wheat Board did not find it necessary to come back to this House today, as it was his duty to do. Some time ago he gave an undertaking to the House in reply to a question by my colleague, the hon. member for Saskatoon-Biggar (Mr. Gleave)—who is also not here; I must say that in fairness. The minister undertook to make a statement on the government's new policy on feed grains before this House rose for the summer.

It was his duty as a minister, and his moral duty—in view of his undertaking—to be present and to make that statement. His failure to be here is an affront to the House. What is more important, it leaves the farmers of this country in uncertainty. It leaves them in the position of not knowing what is happening, and it leaves the government in an unhappy position. If it is stupid enough to take the authority for feed grains away from the Canadian Wheat Board, it will suffer even worse consequences on the prairies next when there is an election than it did the last time.

I end on the note on which I started. We agree to the motion, but not to the date of October 15 for the recalling of parliament. We would have preferred parliament to be recalled one or two weeks earlier. However, that is not a matter of such import now, in view of the present situation. We agree to the motion because we think it necessary, particularly in view of the railway strike, for the minister to have a chance to work at it, for the government to bear its responsibilities and take action, and for parliament to be recalled if that action is not satisfactory. We feel that parliament has done useful work in the present session. We expect the fall sitting to be productive of even more useful things. That we shall see when we come back, Sir.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, if the sessions opened and adjourned on set dates, as is done in Great Britain, in France and in many other countries, we would not witness the show we had this morning.

The hon. member for York South (Mr. Lewis), Leader of the New Democratic Party, is entirely right when he says that under an agreement made among the various parties we will be adjourning till October 15.

However, the Leader of the Progressive Conservative Party (Mr. Stanfield) rises offended and blames the government for introducing the motion to adjourn. He says that he is prepared to carry on and remain here. Mr. Speaker, for at least three weeks, I have been meeting Progressive Conservative members telling me: "When will the session end? When will we be on holidays?" Some have already left. Indeed, we noted it last evening. Thirty members present out of 107, that is not too bad.

Mr. Speaker, we all agree that during this session we would have liked to discuss the economic surge. We would have liked to discuss right away about family allowances so as to start paying them on September 1 instead of January 1. The consumers' purchasing power should be tailored to the cost of living through compensated discounts. We would have liked to speak about conflicts which exist throughout Canada.

The member for York South mentioned the railway dispute and said that it was no time for the Minister of Labour (M. Munro) to intervene. I maintain that he should have intervened much sooner, that is to say he should have been preventive instead of curative so as to prevent disastrous strikes from occurring. Everyone wants the railway workers to be well treated but we have had railway strikes before. It has been said that the problem was settled and today again we have a new railway strike. Therefore, I am right when I say that a strike does not settle the labour problem. A strike is no help to a worker because it is at his own expenses. The only ones benefiting from a strike are the labour leaders, the strike organizers and the union lawyers. This is why I have been asking them for 30 years: Show me a strike which helped settled the labour issue in Canada or elswhere in the world. Strikes in the USSR led to a regime set up 60 years ago. Did that settle the problem?

An hon. Member: There are no strikes in the USSR!

Mr. Caouette (Témiscamingue): They no longer have strikes precisely because guys like the New Democrats hold power in the USSR. Through their work and in the name of freedom, union leaders succeeded in overthrowing the regime which existed then. And today former union leaders are at the head of USSR departments and people are forbidden from striking. If a worker is planning a strike he is immediately shot or deported to Siberia. That is what those people would like to give Canada!

Some hon. Members: Ha! Ha! Réal!

Mr. Caouette (Témiscamingue): There they are: they say "Ha!" We need only read the Regina manifesto; it says the same thing that occurred in Russia, in Czechoslovakia.

An hon. Member: Give it to us!

Mr. Caouette (Témiscamingue): For sure! Mr. Speaker, you hear them. Questions have been asked about the rail dispute for two weeks now. It has not been solved and the minister is told: You must act. It is obvious that if the minister introduces a bill in the House, it will be to order the workers back to work. To my mind, it would be much more logical to guarantee them security and freedom, through a government measure, than to allow them to be pushed around by the socialists and communists who head the unions in the province of Quebec.

Mr. Lewis: Come on, Réal, that is not true; that is an insult.

Mr. Caouette (Témiscamingue): You won't tell me that Laberge is not a socialist right through and through. He said so himself.

Mr. Speaker, I understand. People say lawyers live off the unions. The hon. member for York South knew it before he became a member. Those are the people who accuse me of being against the unions. I am in favour of them provided they are controlled by the members and not by people like Laberge, Pépin, Chartrand, and perhaps soon, in some cases, by the hon. member for York South.

Mr. Lewis: But there are good unions. They exist.

Mr. Caouette (Témiscamingue): There are unions. Mr. Speaker, the Minister of Transport (Mr. Marchand) was a union man too. He has improved. I believe that he received the sanctifying grace of the liberal party!

Mr. Speaker, my riding is a working-class riding, the people work in the farming and forestry industries, and there are thousands of miners who belong to unions. I have often been invited to come and help settle disputes. Though I was not a negotiator myself I met with the negotiators and said to them: Do your job yourselves, I will not interfere. I also met with the employers and with the workers and their wives and sometimes even the children.

When the women didn't have any milk, they would say: Jean-Baptiste, go out and work. But Jean-Baptiste was on strike and it lasted for quite some time. I was obliged to intervene in many disputes, at Val-d'Or, at Malartic, at Rouyn-Noranda, and I was never afraid to tell the workers' leaders what I thought, to their faces, not behind their backs. I also said to the workers, and I say it again, here in the House this time: Go ahead and join the unions, but take control of them yourselves. Don't let yourselves be controlled by trouble-makers like the ones we find everywhere in Canada nowadays. I know a fellow in Montreal who has just left the Canadian Labour Congress because his life was threatened by members of the CLC in Montreal. Mr. Speaker, what was solved by the strikes in the construction industry? Two years ago there was a general strike of construction workers throughout Quebec. In Rouyn the people wanted to build a composite school, but what happened? Three vehicles arrived from Montreal carrying 16 union thugs who threatened the people, saying that they would beat them up, break their legs and set fire to their houses.

Mr. Speaker, you are about to rise, and I am about to take my seat. In any event, the four parties in this House have agreed that we adjourn until October 15. I hope that the railway employees dispute will be settled as quickly as possible, and I hope that when the House reconvenes, we will get on with the business of passing legislation that

will give the people of Canada security, and freedom, and not slavery.

• (1200)

[*English*]

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I have listened to the Leader of the Opposition (Mr. Stanfield), the leader of the New Democratic Party and the leader of the Social Credit Party. May I first make reference to the comments of the Leader of the Opposition. As Minister of Labour, I do not need the pious pontification of the Leader of the Opposition to remind me what my responsibilities are to the Canadian people; nor do we need the pious pontification of the Leader of the Opposition to remind this government of its responsibilities.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): We are fully aware of the serious implications of a railway strike in this country. Who wouldn't be? For us to act now would be an arbitrary denial, before a complete strike takes place, of the workers' rights to express their dissatisfaction with their working conditions and rates of pay.

The party which the Leader of the Opposition leads, the Progressive Conservative Party, is well on record as endorsing the principle of free collective bargaining in the long term public interest. I assume that is their justification for endorsing that philosophy. Be it so-called essential services or not, it can be argued, and I think has been argued successfully within the councils of the Progressive Conservative party, that free collective bargaining, in the long run, is in the public interest.

The Leader of the Opposition says he wants my assurance that I will accept my responsibility. He has that assurance, as do the people of Canada. I think there was some cynicism exhibited in the remarks of the Leader of the Opposition. He said I should personally intervene. If he means by that personal intervention, this also carries with it the connotation that the government should come forward with a bill that would intervene—

Some hon. Members: No.

An hon. Member: It is sophistry.

Mr. Munro (Hamilton East): It is not sophistry. The Leader of the Opposition shakes his head in a negative way. I take it the official position of this party is that he is not recommending at this stage legislation that would impose a settlement or force the men back to work. What alternatives is he suggesting? He has suggested personal intervention on my part. I have personally intervened whenever I found that intervention would be constructive.

In this particular case, I quite agree with the leader of the New Democratic Party when he says that personal intervention by a Minister of Labour does not necessarily lead to a settlement, and in some cases is not even conducive to reaching a settlement. It is misleading to the Canadian people to suggest that intervention by a Minister of Labour by somehow corralling the parties, taking them by the scruff of the neck, throwing them in a room and walking out will lead to a settlement. It just does not work that way. I know the Leader of the Opposition is fully aware of that.

The Leader of the Opposition said we should take the political risks. That is not even a factor of my thinking or the thinking of the government. Trying to arrive at a settlement of this particular dispute is the overriding concern; politics is not a consideration at all.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): While talking about politics, I might say that to try and resolve this dispute with minimal dislocation to the country, Canadians and the employees involved is a two-way street. Alarm that is injected purposely, and to some degree falsely, is not conducive to trying to arrive at a settlement of this dispute.

To play on people's fears by exaggerating the implications, however serious they may be, indicating that the country is somehow going to be on the verge of economic disaster if something does not occur right away, is to mislead the Canadian people. That type of responsibility should be exhibited by members of the opposition as well as by members of the government.

Mr. Diefenbaker: Will the minister permit a question?

Mr. Munro (Hamilton East): If the right hon. member does not mind, I have just about finished my remarks. With regard to the comments of the leader of the Social Credit party, accusations of a most exaggerated kind as to political affiliation, and derogatory terms about leaders of the labour movement, are also not conducive to arriving at a settlement of this dispute and the serious implications of it.

• (1210)

I have noted the comments made by the leader of the New Democratic Party. He mentioned three things. He spoke of pensions. He said there ought to be an independent adjudicator, a man with high qualifications and experience in the field, who would examine the situation and make recommendations. I have already said that this suggestion is being given serious consideration at the present moment.

As to appeals to the employers—the hon. gentleman put it more strongly than that—not to take any action which would exacerbate an already serious situation, such appeals have been made and I hope they carry some weight.

As to the services of a competent mediator being provided at some stage in the dispute, consideration is being given to this proposal. The proposition is arguable, I believe, in the present circumstances, but the idea is certainly being given consideration.

I want to assure members of the House and the Canadian people that we do not belittle the implications of this impending strike, particularly in view of the dislocation caused by the commencement of rotating strikes. We shall do everything possible within our ability to bring this dispute to an end.

Mr. Diefenbaker: Would the minister now be prepared to accept a question?

Mr. Munro (Hamilton East): Yes.

Mr. Diefenbaker: It is simply this. The minister has stated he is doing everything he can, and that the situation is serious. If the situation we have seen in the last few days continues, how long will it be before the government considers taking effective action?

Mr. Munro (Hamilton East): Mr. Speaker, that is a hypothetical question. The right hon. member very well knows we have to consider the implications, and weigh the inconvenience to the public against the philosophy and principles of free collective bargaining, which are also very real and which are also in the public interest. The point at which these two considerations come into balance is a matter of judgment to be reached in the circumstances.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I do not intend to say much in response to the statement made by the Minister of Labour (Mr. Munro). In so far as he has a case—and I doubt whether he has much of a case—it will be dealt with by other members of my party. I will say only this: he based his case, such as it is, on the extent to which he has a responsibility to exercise. It is the opinion of members of this party that this responsibility has not been exercised, that the minister's position is that of Mr. Micawber in David Copperfield; he sits back, hoping that something will happen.

Mr. Munro (Hamilton East): Nonsense.

Mr. Baldwin: We believe there is a case to be made for the government and the minister exercising ingenuity and diligence and working hard in an effort to develop, through their own initiatives, a solution lying between the necessity of having to take parliamentary action and their sitting on their seats doing nothing. We think there is an intermediate ground but that the government and the minister have not been diligent enough to find it. That is our complaint.

With regard to the remarks of the hon. member for York South (Mr. Lewis), I was prepared to take issue with him, but in the latter part of his speech he did put into context the position of the various House leaders with regard to the motion before us. We worked to produce an order with particular reference to the amendments to the Criminal Code. That is common knowledge. Even the Chair might take judicial notice of the fact that this was the "sticker" with which we were confronted. I pay tribute to my colleagues in the other parties for their work in reaching a compromise which was acceptable to members in all quarters.

In working out this order our minds were directed to the details required to develop a solution which would find some measure of general acceptance. There was no suggestion of dealing with any matter beyond this. The government House leader, as was his duty, indicated the intention of the government with regard to an adjournment date. This was within our knowledge and I wish to make it plain that it is not our intention to oppose this motion in its present terms. On that issue, bearing in mind the grave problems which confront the country, the responsibility is one which falls squarely on the shoulders of the government. It is for the government to take that responsibility and to answer for it if and when the occasion arises.

When an hon. member comes to consider his position with regard to an adjournment motion, I think he asks himself: What are the serious problems which confront the country and what hope exists that legislative or other proposals will be forthcoming from the government which would amount at least to a reasonable attempt to find solutions? My immediate impulse would be to say the House should not be allowed to depart and the Parliament should not be allowed to adjourn as long as these problems continue to exist and there is hope that legislative proposals can be advanced to deal with them. But in this light, we are surely entitled to examine the government's record—its rather pitiful attempts to deal with other problems. We are entitled to compare what was promised in the Speech from the Throne with what has been brought forward, and to ask ourselves whether there is any reason we should object to this motion, and say to Parliament: Stay here.

In the light of its record, in the light of what the government has done and failed to do, I must say to myself, as I am sure a good many members of the other side of the House say to themselves—because they dare not say it aloud: Why in the name of Heaven keep Parliament in session, having regard to the pitiful record of the government in bringing forward legislation to deal with the problems of the country?

Some hon. Members: Hear, hear!

Mr. Baldwin: If it would be of any value, I could place the legislative record before the House. Apart from appropriation measures, 13 bills have received Royal Assent.

Mr. MacEachen: Twenty-seven.

Mr. Baldwin: The hon. member and I part company on that. I am not talking about measures which were passed. I am talking about measures which received Royal Assent. Maybe His Excellency has been here at a time of which I did not receive notice. Consider that list with the measures listed in the Speech from the Throne, those glorious, golden promises contained in the Speech from the Throne.

We all remember sitting here and listening to the government tell us, in the words of His Excellency, that it would continue its discussions with the United States to settle certain difficulties which had arisen in our trading arrangements with that country, and to promote stable economic growth. And today, six months later, the Secretary of State for External Affairs (Mr. Sharp) is starting to fight. Six months have been spent in making an appreciation of the situation and acquiring the intelligence needed.

● (1220)

I would ask those hon. members who are doing their jobs as representatives of the housewives and the people of this country who buy foodstuffs and clothing and the housing they need to contrast the situation which exists

today with this promise to promote stable economic growth and attain reasonable price stability.

An hon. Member: Hear, hear!

Mr. Baldwin: I note that the applause of the Secretary of State for External Affairs is as weak as his fight. The next promise was a major revision of the general adjustment assistance plan to enable industry to take advantage of opportunities for increasing our foreign trade, followed by aid to small businesses through new incentives to strengthen management.

Some hon. Members: Hear, hear!

Mr. Baldwin: Again we hear some weak applause.

Mr. Sharp: It is a weak speech, that is the problem.

Mr. Baldwin: We then find reference to extension and improvement of the Industrial Development Bank. We have had an announcement but we will probably wait months for legislation. There is reference to assistance to co-operative and credit unions, and that bill is on the order paper. Then there is reference to renewed measures to reduce deeply entrenched regional economic disparities, and a review of research and development incentive programs. There is also reference to a social security system containing incentives to work, with greater emphasis on the need to get people on social aid back to work.

I could take hours and hours showing how these golden promises made by the government, which now read like the Arabian Nights fables, contrast to the actual pitiful, atrocious legislative record in respect of which we have to go back and apologize to our constituents. On that basis, with this government's record of ineptness in respect of its administrative accomplishments, what would be the use of trying to stay here to deal with these problems at this time, much as we would like to?

Some hon. Members: Oh, oh!

Mr. Baldwin: I am not one of those who say that because this is a minority government it cannot act, because it is not a minority government. The Prime Minister (Mr. Trudeau) and the hon. member for York South (Mr. Lewis) are equally guilty of parroting the phrase "Our main objective has been to make minority parliament work". There are two things wrong with that phrase: This is not a minority Parliament and it does not work.

Some hon. Members: Hear, hear!

Mr. Baldwin: The hon. member for York South led his 31 paper tigers back from Vancouver not so long ago.

An hon. Member: Covered with bedsores.

Mr. Baldwin: He made some challenging statements about what he was going to do to the government, knowing well that we were coming close to adjournment, and knowing well that the only occasion on which they dared show their teeth was when we in this party had already indicated in respect of certain measures that we intended to support them. Only on those occasions did the junior partner of this coalition government indicate his willingness to fight. What a party and what a fight, Mr. Speaker.

I want to conclude by referring to two other issues. What concerns me and must concern us all, without regard to partisanship or region, and without regard to any other issue at all, is what is going to happen to the people of this country and our economic situation during the time when we will be absent, until October 15?

When we examine the situation that is developing in the United States, when we realize the extent to which they are rationing certain items, when we read about housewives in that country buying foodstuffs and hoarding, and when we read that people are now anticipating that before the year is over there will be a considerable food shortage, we must realize that it is inevitable that the same situation will develop here to some degree. I want to ask the Minister of Finance (Mr. Turner) and the members of the cabinet who are here: If this situation does develop, what do they intend to do about it? Do they intend to call Parliament back? Ministers talked about a contingency plan. Does the government have a contingency plan which can be introduced without legislative authority? Is there any way by which this government can act in the event of that type of emergency arising?

I do not want to hear a lot of nonsense such as that which we heard from the Minister of Labour (Mr. Munro)—that the government has a responsibility. It has responsibility for creating the situation, but we on this side of the House have a responsibility for calling to the attention of the government something it seems to have forgotten in its rather selfish attitude about staying in power without regard for the real problems of the country that are developing.

It is almost inevitable that this situation will develop into crisis proportions on the North American continent. Therefore, we are entitled to be told before we leave this place what the government proposes to do. Obviously the government is not able to tell us in chapter and verse precisely what it plans, but will it need parliamentary approval or does it have authority without calling parliament back to deal with the situation? Is it, as I suspect, waiting with faith and hope that something will turn up? This is what we are entitled to know before leaving this place, and I urge the government to give a categorical assurance to members of this House that there are in existence and under consideration plans to deal with this emergency.

If the government does not give us some idea what those plans are, this will be, in our view and in the view of the people of Canada, a further reason why we should have no confidence in this government or in the Liberal party of which it is composed.

Finally, Mr. Speaker, there is one more reason I should have liked this House to continue sitting. I have been for some time trying to obtain an agreement from the Minister of State for Urban Affairs (Mr. Basford) to institute a commission of inquiry into what appears to be a potentially very serious situation involving fraud and corruption in connection with certain student co-operative building projects in which the Central Mortgage and Housing Corporation has been involved. The minister has told us that

he instituted an in-house or internal inquiry last February.

The facts in connection with this sordid situation, as they appear from sworn evidence, have been publicly known since November, 1971. The statements of a senior adviser to CMHC are on record and give in some detail the facts of this very serious situation involving the CMHC and the government. We do not accept the fact that the minister has launched any meaningful inquiry. If this Parliament recesses today without the government doing something about this, I would take that as being prima facie proof of the fact it is aware of the existence of these facts but is afraid to do anything about the matter.

I conclude in respect of this issue by simply putting on record extracts from the sworn testimony of Mr. Vincent Lapetina, given in the Supreme Court of Ontario on November 3, 1971. He talks about contractors, architects and other people. This testimony was sworn before a Commissioner for Oaths on his examination in respect of an affidavit. He refers to "Murphy" who was one of the contractors, and states:

—Murphy was negotiating the contract for the Waterloo project, there was a certain deal worked out between Murphy and the architects, Tampold Wells, and Howard Edelmann. The deal was that C.M.H.C. requires open bids on jobs; the deal was that Murphy was to get the job regardless of the open bids, but the profits were to be split three ways between Tampold Wells, Howard Edelmann and Murphy. This was done, and the tenders were rigged. I delivered the Murphy bid after the actual bids were opened, delivered it personally to John Wells.

● (1230)

Then there is one more sentence later on:

Bids would be called; Murphy was to get the job; profits were to be split three ways between Murphy, Tampold Wells and Howard Edelmann. Okay? And this was done on the various projects. At this time they had to look for a vehicle to get the funds from Murphy Construction, or Galway Realty into something where Tampold Wells could share on the profits. This is when Winal Properties was incorporated.

I suggest that if the minister is not aware of the facts he should be. There is a responsibility upon him and this government to launch not the kind of inquiry that could only be collateral to a cover-up but a full, unabridged inquiry through a royal commission, so that the people of Canada can know something about these facts. The failure of the government to do something about this before Parliament leaves here today, I suggest, is strong evidence that at least some members of the government know about this, but are afraid and do not want to act.

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the motion placed before us today by the President of the Treasury Board (Mr. Drury) contains two basic elements; one that the House be adjourned today until October 15, and the other an agreement on how the bill on capital punishment will be dealt with after that adjournment. I have no quarrel or objection in respect of the agreement concerning this important bill after the House reconvenes on October 15. However, I must admit I have some severe reservations in respect of the date set today for adjournment, October 15.

I should like to outline, if I may, the reason for my concern; it is very specifically related to a problem of very great significance to the people I happen to represent. I am speaking about the airport at Pickering. The people in Pickering and the immediate area of Markham were concerned by an announcement on March 22, 1971 to the effect that the government proposed to build an airport in the Pickering area.

It is now two and a half years later and this question, even in theory, has not been resolved. The severe uncertainty affecting the lives of hundreds and indeed thousands of people today in that area is still present. I believe it is essential that we eliminate this degree of uncertainty one way or another and as soon as possible.

In addition to the very severe uncertainty there is the question of the credibility not only of the government but more specifically of the Department of Transport. The Department of Transport made this announcement, and has made subsequent announcements since that time which I think leave much to be desired. As I pointed out earlier, the announcement was made on March 22, 1971, two and a half years ago. On August 31, 1972 a further agreement was finally publicly made in the House of Commons. On the dates of August 31 and September 1, 1972, as recorded in *Hansard* at pages 3897 and 3940, in response to questions raised by myself it was stated that the government would in fact have an independent inquiry, a broad inquiry, allowing input by people in the area, others in the metropolitan area, the provincial government and municipal governments.

That was quite some time ago. What has happened since that time? After the magnificent delay of many months, almost a year, on June 21, 1973 the terms of reference for such an inquiry were announced. In my view, those terms of reference live up to the commitment made nearly a year before. The agreement was that there would be an inquiry conducted by an independent group and that group would be allowed to make recommendations to the government of Canada.

Ever since then there have been many delays. The three independent people have not been named to that inquiry board. Shortly after that announcement of June 21 I raised a question in the House of Commons asking when that inquiry group would be named. The minister gave, if I recall it correct, a rather vague answer and I put the question in more specific terms. The minister then said it would be reasonable to assume that the composition of that board would be announced within a two-week period. To date that board has not yet been named.

I view an adjournment at this time with grave reservations, because at least when the House is in session and I am here and the ministers and others are here I can feel some confidence that I can exert daily pressure upon these people to see that something is in fact done, and done soon. I have reservations because there is the other side to the coin. When the House is adjourned and ministers have more available time, by not having to be in the House on a daily basis, they could direct more of their attention to the problem. In spite of this I have a deep and abiding fear that it is possible that we will wait until after the House comes back for the announcement concerning the naming of people to that independent board.

This would be unacceptable to the people who have waited this great length of time. They deserve better, and they will get better if I have anything to do with it. We need a commitment from this government before this House adjourns today that it will in fact treat this matter with the kind of priority it deserves, and that the people of my area will be relieved of the agonizing uncertainty to which they have been subjected because of the lack of action on the part of the government over such a long, extended period of time.

I am willing not to oppose an adjournment if in fact I can be assured that action will be taken during this adjournment period to speed up the process and name those people within the next week or so, rather than use the adjournment as a medium to extend the delay and thus further the agonizing process to which the people concerned have been subjected.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to say a few words about the motion before the House. It provides for a recess and also makes special arrangements to deal with Bill C-2, the capital punishment legislation, when we come back in the fall. I must say that I have seldom been involved in negotiations that were so tough and so determined so far as the parties on both sides were concerned, and yet out of these negotiations we did reach a settlement which, I suppose, is typical in that both sides gave a bit and both sides feel they won.

The fact of the matter is that all of this week there has been terrific pressure from members of all of the other parties in this House for us to get out this week, indeed today, but the issue at stake was, of course, Bill C-2. Those who take the retentionist position were very determined not to agree to any order that would cut off debate. In other words, they would not consent to any time limit on the debate. Yet, I think it can be said that it was for the most part those on the retentionist side who were most anxious to get out.

● (1240)

Those of us who are abolitionists felt very strongly that we did not want the fall session to be jeopardized by a lengthy debate on Bill C-2, and therefore we were equally strong in our position that we were not going to agree to an adjournment of that debate until the fall unless there was an agreement to limit the debate at that time. These positions seemed irreconcilable. Perhaps what we have achieved might be an example to the companies and the unions, in the railway dispute, namely, that irreconcilable positions can be reconciled at some point. What we have achieved is an arrangement which does not provide for a cut-off of the debate in the fall at a precise time, but it does provide for extra hours, shorter speeches and no amendments. The practical effect is that the debate in the fall can hardly last more than five or six days.

It is one of those collective agreements in which both sides have won. The side that did not want a time limit has before the House an order in which there is no time limit. Those of us who wanted the debate to have a practical time limit have won in the sense that there cannot be more than five or six days of debate on capital punishment when we come back to this bill in the fall.

[Mr. Cafik.]

Another issue among us was whether it was desirable to settle the issue now or have it settled in the fall. Those who share my view on the issue—the abolitionist point of view—felt that the issue has been debated long enough, that it was desirable not to have it re-opened in the fall but that it was desirable to get it settled now before we leave. We have conceded that the decision is to be made in the fall. We may be somewhat unhappy about that, but we are pleased that part of the agreement is that the times when votes will be taken will not come as a surprise to anyone. The votes on the two report stage amendments will come at the end of the first day on which the debate on Bill C-2 is called again in the fall, and the vote on third reading, the final, crucial vote on this issue, will come at a time to be arranged by agreement among the four House leaders.

I submit that this is an exceedingly fair arrangement. Neither side will win by default on the part of the other side. No one will be caught by surprise. The debate at some point will come to an end, a decision will be made on when a vote is to be taken, so that every member can be here and we can have a clearcut vote on the basis of as full attendance as possible in the House of Commons. So even though some of us may not be completely happy—I suppose that is true for both sides—about the agreement that has been reached, it does seem to me to be a sensible arrangement; and since we have agreed to it on a four party basis, we should be quite prepared to say so and therefore give our support to this motion.

Once this motion is passed, it is likely that there will be some time this afternoon when the House could do some other business, and I press very strongly that the government House leader—or, if he has to leave in the meantime, the acting government House leader—call order No. 12, the order having to do with crop insurance.

We have been trying to negotiate and I know that the negotiations are still going on. Even if we are not able to reach an agreement by negotiations behind the curtains or in the corridors, I think the order should be called. Maybe there are some who want to debate it, so an hour or two could be used for that purpose, but I do not think we should go out of this place today with that order not dealt with because it was not called. It has come back from committee without amendments, I believe. There are not amendments on the report stage, and there is only third reading left. I can speak for my party and say that we are prepared to pass it without debate; but even if there are members of any other party who want to debate it, let us call the order, have the debate and see if we can get that bill through before we leave here this afternoon.

I suggest also that the bill to amend the Aeronautics Act, which has come out of committee and contains certain provisions that the government would like to have enacted, is one that might be dealt with this afternoon as well. I do not use so many words about that because I do not think there is a dispute over that, but surely that could be done as well.

I think also that if there is a statement on feed grains policy—and some of my colleagues may have a few words to say about this later in this debate—has been prepared by the government, then the absence of the Minister of Justice (Mr. Lang) should not stand in the way of that

statement being given to the House today. It may well be that the statement has not been prepared. We cannot ask the government for a statement of policy if it has no policy, but if a policy has been brought into being by the government, I think that the time to make that statement is today, even if some other minister has to make it. There will be a great deal of anger if a statement is not made today simply on the excuse that the Minister of Justice is not here, and then he makes it on Monday or Tuesday when the House has gone away. I press that point and, as I said, it may be pressed further by some of my colleagues.

The only other area in which I wish to say a few words has to do with the session that will commence on October 15. Mind you, there could be a session in the meantime if there is an emergency that brings us back. So far as the railway strike situation is concerned, my leader, the hon. member for York South (Mr. Lewis), has stated very clearly our feeling that for the next week or so it would be better for us not to be here so that the collective bargaining process could go on without the fear that there will be back to work legislation.

With respect to the fall session that will commence on October 15, I want to say without hesitation—despite my interest in other matters of legislation to which I will refer—that we must get the capital punishment issue out of the way first. I know that when it is called there will be some catcalls on the floor of the House as to why we are dealing with capital punishment, why not something else.

However, the capital punishment bill is an important matter of public policy and an important element in the law of the land. We have invested a great deal of parliamentary time in it, and I urge that it be got out of the way in the first six or seven days after we come back in the fall. But then let us give top priority to some of the pressing matters that are before us. The family allowances measure, in my view, should have had second reading a month ago. We did not get it, but the bill is on the order paper and it has been printed. We have seen the bill and there is pretty general support for it. I do not think the debate at second reading needs to be long. Let us pass that bill early when we are back in the fall so that there will be no question about its provisions coming into effect on January 1, 1974.

● (1250)

I urge also that the Minister of National Health and Welfare (Mr. Lalonde), in the two and a half months we are now giving him to come up with a few things, be ready in the fall with his other bill on the Canada Pension Plan. I say "other bill" because we do have a little one on the order paper having to do with certain religious groups and a few technical points, but I am referring to the other bill which has been promised, the aim of which is to raise the yearly maximum pensionable earnings under the Canada Pension Plan and also to remove the 2 per cent ceiling on the annual escalation of pensions under the Canada Pension Plan.

It was certainly my understanding when the orange paper, the working paper on social security, was brought in earlier this year that it was the hope and the intention of the government that the changes in the Canada Pension Plan would be effective on January 1, 1974.

Summer Recess

Some of the things that the Minister of National Health and Welfare has said lately have cast some doubt on the certainty of that. I think that has to become a matter of certainty, Mr. Speaker, namely, that the escalation of pensions under the Canada Pension Plan when they next occur, namely at the beginning of 1974, will not be limited to 2 per cent but will at least match the full rise in the cost of living. I put this as a matter of very high priority on our legislative program for the fall. I press it vigorously, because, unlike some of the other things I referred to, it is not on the order paper, but it must get there.

One of the reasons we must get the Canada Pension Plan amending bill before us and get it passed is that there are a dozen other pension plans and arrangements where the annual escalation is still limited to 2 per cent, and the government keeps using the excuse—and no one gives it to us more often than the President of the Treasury Board (Mr. Drury)—that these other plans cannot have the rate of their escalation increased until the rate of escalation is increased under the Canada Pension Plan.

I set that out as a program for this fall; that the Canada Pension Plan bill be brought in and passed, and that all other pension plans that come under the jurisdiction or responsibility of the federal government be dealt with this fall so that in 1974 those escalations will be at least the full extent of the cost of living and not limited to 2 per cent.

Mr. Speaker—yes, I will use the term—it is highway robbery to limit the escalation of any pension to 2 per cent at a time when the cost of living is going up 5 per cent, 6 per cent and 7 per cent. Someone says 8 per cent and maybe by January 1 it will be even more, Mr. Speaker. I put this very high on the priority list; something has to be done about it this year.

I also remind the Minister of National Health and Welfare that in the Standing Committee on Health, Welfare and Social Affairs earlier this year, when some pressure was put on him to provide escalation more often than annually, such as semi-annually, quarterly or even monthly, he deprecated that as not having much value and said it might be better to have periodic increases in the basic amount of pensions like old age security. I say to him that, with what is happening to the cost of living and the standard of living generally, the government must not go on thinking that $100 is enough as a basic old age pension. This, too, is something that ought to be considered, but certainly this fall let the months between October 15 and Christmas not pass without dealing with this whole problem. I am speaking of the problem of the annual escalation of pensions under the Canada Pension Plan, pensions for retired civil servants, retired RCMP personnel, retired armed forces personnel, railway pensioners, and all those who are affected by government legislation. Let us have them dealt with this fall without fail.

While these things are dealt with may I remind the House, in case some pension gets missed, that the government passed regulations under the responsibility of the Minister of National Revenue (Mr. Stanbury) which provide that even private pension plans cannot get income tax consideration unless they hold their escalation to 2 per cent. This is something that is a disgrace. It is highway robbery of our retired people and it can and must be dealt with this fall.

I just want to mention two or three other things that, in my view, should have very high priority this fall. One is the election expenses bill which got to committee. We had hoped that the committee would have dealt with it by now but that has not been the case. That committee should certainly meet in the fall, if not between now and then, and get that bill back so we can get it through before the end of the year. Then there is the bill regarding foreign investment which has been reported out of committee and has been improved considerably. It should be high on the priority list for the fall.

So, Mr. Speaker, I join with those with whom I have contended this week in an attempt to arrive at an agreement by saying that none of us is fully satisfied with the arrangements we have made for the disposal of the capital punishment bill in the fall, but we feel we have reached a sensible agreement. I believe, therefore, that we should welcome and give our support to this motion, but that we should put the government on notice that, not only do we want certain items brought forward this afternoon, but there are these priorities I have dealt with on which we want action as soon as possible after the House returns on October 15.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, it is now three minutes to one o'clock and while I do not intend to cover the whole gamut the way the last member did in making again the speech he has made on several occasions, there are a number of things I want to deal with.

It has been an interesting session so far. The government has swallowed itself several times. The west has been discovered by the Prime Minister (Mr. Trudeau). The Queen has suddenly ceased to be anathema to the Prime Minister. Chameleons are noted for changing themselves according to their environment. Perhaps during the noon hour some hon. members would like to confirm that in front of the Prime Minister's office there are three sculptures of animals. As well, quite a large expenditure was made for carpets in the hall there. But there is only one animal that should have been placed there as a trademark of this government, and that is the chameleon.

I intend to deal with one or two of these matters, Mr. Speaker. It has been a session in which the Secretary of State for External Affairs (Mr. Sharp) has started to read American history, and has quoted John Paul Jones. We have just begun to touch on it.

In the last six weeks or so the government apparently has repeatedly changed its mind. Up to that time it could rely at all times, and even now, on the support of the NDP. Mind you, I was disturbed to read the frightening words of the leader of the NDP in Vancouver—I will quote his words later—when he pointed out that the government must now realize that it is in jeopardy. He said that the parliamentary caucus of the NDP cannot tolerate much longer the Trudeau government, but he could not say how long that would be. This represents a complete somersault in attitude.

Mr. Speaker: It being one o'clock I do now leave the chair.

At one o'clock the House took recess.

[Mr. Knowles (Winnipeg North Centre).]

AFTER RECESS

The House resumed at 2 p.m.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the numbers present on the government side, which include one minister, one hopeful parliamentary secretary and five members, indicate the interest of the government in public affairs.

Before the House rose for lunch, I had been alluding to the interesting fact that in front of the Prime Minister's office there are costly sofas where the wayfarer may rest and that there are three statues of animals. Having regard to the change of front on the part of this government, I suggest one statue has been omitted, that of the chameleon, which changes colour whenever circumstances or the environment make that necessary in the interest of its survival.

In looking at the remnants of this government, I see the Acting Prime Minister (Mr. Sharp) present, and see in his eye that pugnacity which is synonymous with the declaration made the other day that, We have just begun to fight. That was one of the proudest statements anyone ever made. History knows that event turned out all right for the original author. However, when I think of the way in which Canada, in the last few months, has lost standing and status all over the world, I would think that the minister, as head of the Department of External Affairs, would stand up once and for all for Canadian rights all over the world.

I am thinking of one thing in particular, and I will not intrude on the work done in this connection by the hon. member for Leeds (Mr. Cossitt). I am thinking of that Canadian who has been in prison in Cuba for over ten years.

Mr. Sharp: For doing what?

Mr. Diefenbaker: Will the minister tell me?

Mr. Sharp: The right hon. member must know.

Mr. Diefenbaker: Oh, the minister does not know.

Mr. Sharp: You tell the House.

Mr. Diefenbaker: There was no justification whatsoever for imprisoning that man—

Mr. Sharp: Not for smuggling arms?

Mr. Diefenbaker: There was no justification—

Mr. Sharp: Not for smuggling arms?

Mr. Diefenbaker: I will begin to fight in a moment. There was no justification whatever for this government, for the Prime Minister (Mr. Trudeau), not to get in touch with Premier Castro and—

Mr. Sharp: The right hon. member would not have done it when he was prime minister.

Mr. Diefenbaker: Mr. Speaker, one may make remarks from a seated position that may get on *Hansard*, but that

action does not really show the kind of statesmanship we expect from a man occupying the minister's portfolio.

Mr. Sharp: Nor from a former prime minister.

Mr. Diefenbaker: Mr. Speaker, what manner of mumbling is this that is going on? Sir, even in the days of the aboriginals, if one was speaking and the others had nothing to say, they did not mumble and grumble. All I wish to say is this: the failure of this government to make representations to Castro for the release of Ronald Lippert is disgraceful. After ten years of imprisonment there should be representations on personal and public grounds, having regard to the serious condition of his mother. Of course, I do not expect any action from this government because it will not speak out internationally. Muted words are the only response. All the minister would have to do, with the acquaintanceship between the Prime Minister and Mr. Castro, would be to get in touch with Castro and ask for consideration of this case.

● (1410)

We have the same situation in connection with the Canadians who were killed in Africa. We have had nothing but generalities from the minister. Two Canadians were murdered in cold blood. At the same time, the nation which participated in that murder is receiving tremendous grants from our country and will receive further grants. What was the unctuous reply of the minister? He said, you would not expect us to not act to help the poor people of that country by giving assistance? I cannot understand the attitude of this government in the face of what has been done to Canadians. What is the reward? The reward is hundreds of thousands of dollars of extra money to that country which has not done anything to expiate the crime committed in the murder of two Canadians. I hope the minister will, with regard to international actions, have his own department adopt those strident words, we have just begun to fight.

I was going to refer at some length to the New Democratic Party. In the absence of the leader of that party, I am not going to do that. I never do. I quoted his statement this morning, so the quotation will be clear. The leader of the New Democratic Party, speaking in Vancouver, said:

"I can't tell you when the next election will take place but I find it difficult to imagine being able to tolerate the Trudeau government much longer."

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The NDP are now all together. Until that statement, they were divided. Is there any wonder there is an article in today's Ottawa *Citizen* headed "NDP looking for divorce from Grits". They are right up to date and have already joined in the applause. James Ferrabee, a very experienced and responsible writer, says and I quote:

The marriage of convenience is over. It's now only a question of finding a good pretext for divorce.

Are they applauding again?

Some hon. Members: Hear, hear!

Mr. Diefenbaker: They are. That is what they are waiting for. Once you get the approval of the hon. member for Winnipeg North Centre (Mr. Knowles), you know where the party is going and he approved that statement. I say to the government, watch out; be careful, because the hon. member has applauded that suggestion. They are just waiting for an excuse. I do not know what the grounds for divorce are politically. No doubt it is the indecency of dilly-dally by the government that is going to form the basis for this unusual occurrence.

What are some of the other matters with which we have not dealt? I would like the Acting Prime Minister and the Minister of Finance (Mr. Turner) to give us some idea of what happened on the safari to Calgary. There was a tremendous build-up. The Prime Minister found that western Canada existed. He admitted it. How could people live in three provinces and the Prime Minister not know they existed? That was difficult in itself, but it was even more difficult when he had to go to the provincial premiers to find out what western Canada needed.

Did the Minister of National Defence (Mr. Richardson), that well-known agriculturalist, not speak to the government about that? What about God's gift to the Liberal party from Saskatchewan, the Minister of Justice (Mr. Lang)? Did he not let them in on the secret? What about Mahoney who has risen to great heights since the election in return for value received? What about the former Minister of Agriculture, Mr. Olson? Did he not let the government know?

Then, we come to British Columbia. There are two ministers from that province. They are not here now. Have they not let the government in on the secret? Do they hold cabinet meetings in secret in which ministers cannot speak? I get an affirmative answer by a bow of the head of the Acting Prime Minister.

Mr. Stanfield: They have just begun to fight.

Mr. Diefenbaker: The Leader of the Opposition (Mr. Stanfield) says they have just begun to fight.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: This is a most preposterous situation. Did the Minister of Justice not let the government know what the result would be with this tinkering in connection with the so-called two price system? Did he not let them know the farmers in western Canada will get less this year than last?

Mr. Drury: That is not true.

Mr. Diefenbaker: I suggest that again the Acting Prime Minister moves his head indicating a negative reply. If he would just stay in international affairs, he would learn just as much about them as he apparently has about agriculture. I remind him of this. The other day I said the price of bread would increase from one to four cents a loaf as a result of this tinkering. The Prime Minister said there was no foundation for that. He said it would only be about one-tenth of one per cent.

Mr. Sharp: Quote him correctly. Quote from *Hansard*, not newspapers.

Mr. Diefenbaker: What is that babble?

Mr. Sharp: Be fair.

Mr. Diefenbaker: I am glad the minister, knowing nothing about the situation, wants some information. If he wants to speak, I will give him an opportunity, but if he does not have any written material before him I know he will not say anything. I quote from an article in the Vancouver *Sun*, home edition, of July 24:

Bread price to go up two or three cents

A flour milling firm spokesman today said the price of bread will go up two or three cents a loaf as a result of new wheat prices.

He went on to say that the price of flour had been raised by a very considerable amount to $6.50 per hundredweight, an increase of 45 cents to 55 cents a bushel charged millers by the wheat board. The Prime Minister said there was nothing to it. He had not been to the provincial premiers' meeting at that time. He had not discovered the west. He had not followed in the footsteps of Henry Kelsey who was there in 1691.

Yesterday, flour increased by $2.35 per hundredweight. What is the government doing about it? Nothing. It refuses to face the situation. When I raised this matter in the House last week, the Prime Minister brushed it aside. He said there was nothing to it. The government refuses to act. The cost of living of the average Canadian will go up very considerably as a result of this increase in the price of bread. What does the government say it will do? First, it says there will be no increase. When it does happen, I suppose they will turn it over to this board with the $40,000 a year chairman for the purpose of ascertaining whether anything took place. Why does the government not act?

I should like to deal next with the remarks of the Minister of Labour (Mr. Munro). He was here this morning. He spoke and he left. What a picture! He gave us a lecture on conciliation procedures and labour discussions. Nobody is in disagreement with that. But when it comes to acting and doing, there is nothing to report. I do not blame him, because he does not know anything about the subject; he gets his direction from someone else.

● (1420)

I asked him what he intended to do about the dispute between the company and the non-operating railway employees, as reported at page 5988 of *Hansard*. He said he did not believe there was any immediate danger. I was dealing with the shipment of wheat. Then, I asked this question:

How long does the government anticipate this state of affairs will continue before parliament will act so that the economy of the nation will not be unnecessarily weakened? Has the government any plans in this regard or does it simply intend to paddle along day by day?

The word "paddle" was well chosen judging from the general attitude of the minister this morning. In reply, he said that historically, as he understood it, the Conservative party had always stood for free collective bargaining and for giving people their legitimate rights as recognized by parliament. He went on to say:

I think the parties should be allowed to bargain in a free and collective way. When the public interest is at stake I think the government will exercise its responsibility, but I hope that will not be necessary.

I ask him today: When is he going to act? What has he been doing in the last few weeks? From the explanation he gave today, it is obvious the answer is that he has just been sitting on the problem. He refuses to face it. He has refused to accept any of the suggestions made to the government. He is just waiting around, and while he waits the economic situation becomes worse. Immediately upon conclusion of his statement this morning, I asked him a question. I asked him: When are you going to act? And what did we get by way of reply? A massive explanation with many words but a total failure to convey any idea of when the government proposes to act.

As to the motion we are considering, I say at once that when agreements have been entered into among the representatives of the parties, they must be upheld. But what is behind all this? Is this sudden desire for an adjournment the result of the fact that the government does not intend to do anything regarding the cost of living? Is another reason the fact that it does not want parliament to be sitting while the price of bread goes up, not as a result of the forces of demand and supply but as a result of a government action which cannot be justified?

Some hon. Members: Hear, hear!

Mr. Diefenbaker: There can be no question that this is the situation. They are afraid to have the House in session. They do not want to have this subject discussed.

Again, there is the question of feed grain, dealt with by one of the hon. members who preceded me. Why does the government not make a declaration? The Minister of Justice almost torpedoed the western meeting with the provincial premiers by his lack of finesse in saying he was afraid those various premiers were using tunnel vision. Why has the hon. member no revelation to make as to whether feed grains are to be taken from the Wheat Board? Certainly, if this were done when parliament were sitting, the government would know where it stood. We have made that perfectly clear. I warn the Acting Prime Minister that if the announcement is made after parliament has adjourned that feed grains are to be taken from the Wheat Board there will be an explosion on the Prairies which will make the nuclear explosion at Nagasaki look like a fire cracker parade on May 24.

Why is there no announcement? Has a decision been made? For weeks the Minister of Justice has been going about intimating that some great announcement would be made, but that it would not be made until after the conference of the premiers. Well, the conference is over. The Minister of Justice is not here. The Minister of Agriculture (Mr. Whelan) is not here. Why has there been no announcement? In the last election the Liberal party ended up with no seats in Alberta. It did a little better in Saskatchewan, and a little better in Manitoba. Let me say this to hon. members on the other side of the House, and let me make it abundantly clear: if you start this nonsense in connection with feed grains you will not have enough Liberal elected members in the next election to provide seed for the one after!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I do not know what the Minister of Labour really has in mind. I do not know whether he has any plan in mind. I was very interested to hear that in the month of June the Liberal Party went into solemn conclave to decide whether or not they might go into a kind of retreat called transcendental meditation. Is that what they want to do during the next couple of months?

There is even division over there. There is the hon. member for Ontario (Mr. Cafik). I like him. He comes from a constituency and an area where I was raised as a boy. I like him, and I have never heard him more outspoken that he was today. I have always said, and I have been criticized for it, that parliamentary secretaries should not be answering questions in this House because they have no responsibility. I have said I would not be answered by a parliamentary secretary because they are helpmates of the ministers and have none of the responsibilities of cabinet knowledge or authority. I say to him: Beware! After a speech like that today there is likely to be a vacancy during the period when parliament is not sitting. I am amazed at the strength of the attack the hon. member made on the Department of Transport. It was harsh. It showed the department acting in a way which, to say the least, was inexcusable. The hon. member bows his head in full approval. They have been at it for two years. No, for three years— beg your pardon, Mr. Speaker, I am always conservative.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Even the mountain, when it laboured, brought forth a mouse. For three years, he, with knowledge none of the rest of us can possess, by reason of his propinquity to the powers that be, has been unable to discern what the government may do. That speech deserves the utmost consideration by every member of the House for it represents only the second occasion on which, since the present government was elected last fall, any member supporting that administration has dared to speak against it.

● (1430)

Mr. Horner (Crowfoot): They don't think Trudeau tells the truth.

Mr. Diefenbaker: Western farmers have not forgotten that Mr. Trudeau did not know they raise wheat. He had no idea about that. He had been all over the world, to China, the U.S.S.R. and elsewhere but he did not know that. He said in Winnipeg he did not know the Wheat Board existed, yet he is the Prime Minister. He asked: "Do you expect me to sell wheat?" The farmers have not forgotten that.

What is the government doing today? I see the Minister of Finance (Mr. Turner) is here.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The Minister of Finance has promised to "debank" the banks. I want to say to him that out of that conference, and the announcement could have been made in the House without consultation with the provincial premiers, has come that declaration. I join in giving it my approval as it is the one thing that came out of the conference, or rather out of the mouths of the ministers at the conference, which enabled them to place before the western premiers something that had been done.

I ask what is going to be done to help the farmers, to give them an additional amount at this time? The plan that he has evolved which masquerades now as a two-price system, is simply a complete delusion and a sham. What this government did was ascertain how much wheat would be consumed in Canada, and then it fixed a fair price for that wheat. That fair price brought about a quotient and that quotient was to be divided as evidence of a two-price system. I have already pointed out what is going to happen to the price of bread as a result of that action. This government would not introduce a system of acreage payments. Oh, no, it would not do that because a Conservative government had done it. We are going to have a two-price system so that wheat farmers will get a fair return, but they are making payments under it in respect of all grains, wheat, oats, barley and every other variety, and it will not cost the government anything.

I find the Minister of Finance is one who listens. I suggest to him that the very first thing that should be done now, and it will prevent the rise in the price of flour and bread, is simply to take the $60 million, which is the amount that we distributed by way of acreage payments and is the amount this government is bonusing the baking industry, and pay it out on an acreage basis. You will get the farm support for that action. It is a course we followed. At the same time, you will stop another increase in the cost of living across this country, namely the increase in the cost of bread which will affect every home in this nation.

The government will not do that. The government has not even listened to the variety of individuals who surround the throne. When I was Prime Minister it cost $50,000 to run the Prime Minister's office. Today, it costs $1,300,000, and it only cost $25,000 more under Mr. Pearson than it cost when I was Prime Minister. There are hoards of individuals.

An hon. Member: Shadows.

Mr. Diefenbaker: Shadows at least have some existence. All these people are doing is drawing tremendous salaries.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: They have desks for the east, the west, the north and the south to tell them what the western provinces and other provinces desire. It has cost us hundreds of thousands of dollars for these desks, yet the government did not have any information regarding the western provinces. What do these people do? Are they decorations? What responsibility do they have? They simply gather together and pretend they are doing something. I suggest that none of the views of these people are passed on to the government. If any minister will say to me that they are, my simple question would then be, show me one example that the government has followed. There is not one single example of any change that has taken place to the benefit of the western provinces, Alberta, Manitoba, Saskatchewan and B.C., as the result of this western desk.

I notice there has been no endeavour to explain why there has been so little for the western provinces out of the fabulous expenditures under DREE across this country. Why is it that we in the province of Saskatchewan received a paltry $1.5 million out of these vast expenditures? Now, in 1973, after the shellacking this government took in the election it has suddenly realized that the west exists. Mr. Marchand has said: "Well, now I can see the picture". Those were his views, and they are going to do a lot more for western Canada. All I have to say is go ahead and do it, but if you think the people of western Canada will believe there is any sincerity in what you are doing I can only tell you that the conclusion they will come to, and it is a proper one, is that you are endeavouring to get forgiveness for the wrongs you have done in forgetting the west throughout the last several years.

There are other matters I could deal with but I am not going to on this occasion, except to say this: It was a great meeting in Calgary.

Mr. Turner (Ottawa-Carleton): A dandy.

Mr. Diefenbaker: The minister gives it approval. When it came to sartorical perfection and masculine attractiveness on television I have to give it marks, and I am not going to start to identify. One has to give it marks, but what did it accomplish? Why did the ministers not take the advice of the opposition members representing those western provinces who over and over again placed these matters before them? Do not let the government, even the Acting Prime Minister, believe that it has deluded anybody in western Canada by this massive endeavour of propaganda and deception, and that is all it was.

When the Leader of the Opposition (Mr. Stanfield) advanced any of these matters he was ridiculed. When members of the opposition advanced these matters they were ridiculed. When members of the NDP placed views before the House that could be generally accepted, they were ridiculed. Then, suddenly the Prime Minister had to admit they were right. You talk about the road to Damascus, but I remind you that this Prime Minister said he never realized the west existed. We have lived out there many years and we are certainly glad that the Prime Minister knows we exist.

I warn the government that on the basis of its failure to act on behalf of western farmers, and on behalf of expansion of industrial opportunity, not only in the west but also in the Maritimes, when the election comes they will get their reward and it will not be what they expect, or possibly they do. They cannot get away with such deception.

I conclude by saying that the animal which is able to change its colour and appearance whatever the environment now has a counterpart in the Prime Minister, but this will not work.

Some hon. Members: Hear, hear!

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I did not know whether I was listening to the opening speech in an election campaign, and it may be that the right hon. gentleman, like many of us, was speaking for his constituency, because as I gather from the machinations that have taken place recently we are not headed into an election but are facing another session this fall.

The right hon. gentleman outlined many of the problems we have, but I think it would have been better had he considered the problem we have been faced with during the last month. I refer to the problem of a regular recess, not necessarily one set by agreement, for the months of July and August. We have heard from two House leaders this afternoon. Probably it could be detected in the remarks of the third House leader who spoke that the agreement on the motion before us was reached not because of their efforts but because the government more or less forced it on them. This raises in my mind a problem I have mentioned on many other occasions; that is, the desirability, if this parliament is to sit for 10 months, that we at least have the common sense to arrange our sittings so that in this northern hemisphere, where our summer if we are lucky lasts for the months of July and August, these be the two months in which we have our summer recess. There is absolutely no reason for sitting here in the month of July.

• (1440)

There would have been a reason had the government decided it would do something about capital punishment. But what happened in respect of capital punishment? The greatest offender in respect of having some decision, good or bad, reached with regard to capital punishment was the Solicitor General. There have been at least three bad Solicitors General and they keep getting worse. The previous Solicitor General had absolutely no understanding of the fact that most of this country operates under the common law. He believed everybody operated under the Napoleonic Code. So, he really did not understand the law relating to the British system. This is the reason there were so many mistakes made in respect of the penitentiary system, the parole system and other matters.

The present Solicitor General, however, does know something about these things. He introduced the debate on capital punishment, but he kept putting not only one foot in his mouth but both feet. This is not a very benevolent place and, therefore, I am surprised how benevolent it has been in respect of the present Solicitor General as he keeps changing feet. Everyone seems to feel sorry for him. Had this debate been conducted by the House leaders rather than by the Solicitor General, it would have been a simple matter of deciding whether or not we would have capital punishment for an additional five years in the same manner as we had the original five year period.

The Solicitor General, however, adds all sorts of things. He allowed the introduction of the female chauvinist resolution. He allowed the introduction of a number of other additional items, most of them at his own insistence. Then, he decided after making these arrangements that he would go for total abolition. How could there be anything so stupid? He could not have listened to the vast majority of the speeches in the House on the three previous occasions when this matter was before the House.

The House leaders are partly responsible for the mess in which we find ourselves. Certainly, the government House leader was responsible for it because when he keeps changing priorities in respect of items which he believes

are absolutely necessary he cannot count on the co-operation of the other House leaders and cannot count on the co-operation of the members. Sooner or later, we should make the decision that we will be here for regular four-year periods barring other developments because of the democratic process. This being the case we should count on having regular holidays.

You may remember, Mr. Speaker, the one time we had no Easter recess simply because, when the House could not make up its mind, I insisted that we sit on Good Friday. We sat on that occasion just long enough to adjourn, and since that time there has been no problem in respect of having an Easter recess. It is now a formal arrangement. As intelligent adults, we obviously ought to be able to arrive, in this northern hemisphere, at a point where we decide that our vacation period will be held in the summer, a time when members will be able to visit the farmers working in the fields and visit the people at their leisure. If I were in the southern hemisphere I would perhaps be recommending that we have our holiday in the winter. The government House leader should visit northern Ontario. This is the first summer in three years in which we have had summer weather. This chamber is not the place in which members should be enjoying summer. In my opinion when this happens very little is accomplished in this place.

I am concerned about the remarks made today in relation to settling labour disputes. Sooner or later, I believe we must decide that the federal government should not be muddling around in negotiations. In this present situation I understand that the negotiations concern pensions on Canadian National Railways. There is a great deal of interest in pensions. The average worker on the railway does not trust his union leaders. In the field of pensions, there probably will not be any settlement even if this parliament decides there will be. We have reached the stage where members call on the government to bring in legislation just as a strike begins, even though it is merely a rotating strike which affects a very limited number of communities in this country.

I would like to see legislation passed in respect of Canadian Pacific Airlines. It seems to me this would be a good time to bring it under Air Canada so that we can make up our minds which airline is to fly to Rome and which airline is to provide domestic services. In my area Air Canada has suddenly decided that it does not have aircraft suitable for service in northern Quebec or northern Ontario. It is ready to give the service to somebody else and if no one wants it; then Air Canada will desert the field. This problem relates to the line between the area of the one member for Timiskaming and the other member for Témiscamingue. Air Canada seems to have shut off any sort of service on a regional basis between northern Ontario and northern Quebec.

It may interest hon. members to know that there may be other reasons for this situation. Recently, an organization has been established in North Bay which is interested in vigorously pursuing the establishment of a new province in northern Ontario. There has always been a reciprocal movement in northwestern Quebec which believes it could well join with northeastern Ontario in setting up a new province based mainly on resources.

Mr. Turner (Ottawa-Carleton): Oh, no.

Mr. Peters: The Minister of Finance says no. Certainly this is no more possible than that the Minister of Finance (Mr. Turner) should follow Social Credit philosophy and double the value of Canadian currency. I admit that this is a field about which I do not know too much, but it is supposed to be something about which the minister knows, so at least let him give me credit for knowing that the people are dissatisfied.

• (1450)

I do not know how the people in his department will feel about the kooky arrangement in which we find ourselves. We may be back here in two weeks. I am intrigued by the argument that is being put forward that we had better leave before somebody forces us into legislating against the strike, and that is why we need the recess. We have all agreed to go home from today until October 15. I do not know how many families will be home to see their MP when he is in the constituency between the end of July and October 15. In my area even the fall fairs will be over. I will be able to go to the ploughing matches, but they only last so long. Mr. Speaker, by then it will be snowing and the weather will not be sufficiently good to allow us to go anywhere.

This year there will not be an election because I believe all the politcal parties have made that decision. Certainly the Liberals will not call one. They are sending the Prime Minister (Mr. Trudeau) to Peking when the fall session of parliament opens, and Mao Tse-tung will not give him any advice that will influence him much, even with regard to the province of Quebec. I do not think the Prime Minister will be able to change the situation there, nor will he be able to change it in the west. So I do not expect that during his trip to China an election will be called here. I do not see any way in which any members of the House can cause an election to be called. There will probably be more goodies in the throne speech, which will be supported, and more goodies in the budget, which will also be supported.

Frankly, I have begun to look forward to the budget now that we are in the business of printing money without any backing. I would like the minister, whom I have always found to be fairly responsible, to have a long, serious talk with two of his colleagues, the Minister of Energy, Mines and Resources (Mr. Macdonald) and the Minister of Regional Economic Expansion (Mr. Jamieson), for the purpose of getting the gold mines operating again. We now have a fairly good price for gold and at least the minister will be able to back some of the money with gold, particularly if he puts it in the treasury at $38 an ounce and sells it on the European bullion market at $125. I can think of no better way in which to correct the mistakes he has made in the last few days than to embark upon the production of gold immediately and sell it on the European market.

This raises another problem that I have, that is, that we should be providing assistance to the gold mines. This would be very useful to northern Ontario and many other areas where the rate of unemployment is high. This is the type of industry that we have supported on many occasions simply because our monetary system depended upon

it. I suggest that that situation has not really changed, although certainly our ideas have changed. The production of gold in this country may provide a valuable bulwark against the decline of the American dollar. When that decline results in the fall of an empire, Canada will not, unless it has a separate basis for protecting its existence, find itself in too happy a situation.

There are many matters that could be raised. My colleagues have been very concerned about the crop insurance legislation not having been debated. They will probably have something to say about that. I know that the feed grains legislation has concerned some of my colleagues. One of my colleagues has expressed concern about the proposed sale, which the government is allowing, of the Bessborough Hotel in Saskatoon. I do not know whether the Minister of Finance has ever stayed at the Bessborough. I have found it to be a fairly good hotel. Yet I am informed it is up for sale, that it will be no more a property of the CNR but will go into the hands of a new group. Also, my colleagues are concerned that the Minister of Finance has not been here to answer a number of questions regarding his delay in the appointment of CNR auditors. I agree that he had very legitimate reasons for firing Mr. Benson's auditors for the CNR, but why has he not appointed new ones?

Mr. Turner (Ottawa-Carleton): Let the bill go to committee.

Mr. Peters: I think we have an agreement that we will allow the government to appoint them, and certainly I do not think the bill is needed for that. But if the minister wants to scribble out a small bill now, we would be prepared to pass it this afternoon and have the auditors appointed. Let him not hide behind that excuse. The Auditor General is being paid to do that audit. He can sit down with his staff and prepare it, and we can look at the matter of CNR financing.

The Minister of Finance knows that he has been allowing the CNR to borrow money rather than let us provide the money, as is done in normal financing practice. We have not considered CNR financing for the last two years, and this will catch up with the CNR in terms of the interest which will be compounded on top of the other interest which we have to pay now. The minister shakes his head. Obviously, he knows that there is a greater expenditure on the interest rate for the financing of CNR than there is profit. He is well aware of that fact. The profit is usually about $28 million, and our expenditure on interest amounts to around $70 million. To compound that interest by allowing CNR to borrow money rather than having the government finance the railway seems to be a waste of time.

My reason for rising is to make a plea to the House. My request will not be granted now, in all probability, and I am not suggesting that we consider it now. I make a plea that as adults, as people many of whom have had some experience in business where there is some order, we demand of our caucuses and our House leaders that an agreement be reached to allow for an orderly system of recessing parliament for the summer. This business of everybody negotiating at the end of June for new priorities and new emergencies for which legislation must be passed is a ridiculous way of operating. For three years we have tried to set July, August and September aside for a summer recess. My guess is that by sitting until July we assure ourselves of having to sit until the end of July next year.

The fact that we have put off the date of our return for the regular session until the middle of October almost guarantees that the work of the House cannot be completed in a reasonable period of time so as to assure us of a recess at the end of next June.

I know that this presents problems to the government House leader, for whom I have great respect—and I have had dealings with a number of House leaders. I find the government House leader to be honest and generous. In fact, often he is too generous with the people with whom he associates. He makes all sorts of concessions which in my opinion it would be better not to make. I suggest, also, that he should be treated fairly by other members of the House, and in particular by the cabinet. It seems to me unreasonable that the cabinet should continually hold over his head the threat of putting forward another piece of emergency legislation at the last minute. By the end of May he should be able to tell the House exactly what he wants passed before the end of June, and we should have the discipline to keep that schedule.

• (1500)

If you look back, you will find that if the type of agreement that has been worked out had been made at the end of May, then there would have been other pieces of legislation that would have been deemed just as urgent as Bill C-2. I believe that members of parliament each have a responsibility. It is all right to go to your caucus and say "me too" all the time, but it seems to me you should have some guts and be prepared to take a position in caucus that would bring about some order. Most hon. members were not here when the fight took place over a period of eight or ten years for an orderly Christmas and an orderly Easter recess. The solution was not arrived at too easily.

I suggest that every member has a responsibility to see that we do not again get into the box we are in today because of our inability to set a predetermined recess period which, in the northern part of the North American continent, should be the months when the children are out of school, July and August. This is not going to be done by the government nor by the opposition; it is going to be done by the backbenchers who have not the pressure that I am sure individual cabinet ministers have to get their particular pieces of legislation through. The ministers say to themselves that if they wait another two or three hot days they will get their bill through. It may be necessary for some of us to become obnoxious and to take the position that we are going to force the government to arrive at that kind of conclusion. I am sure there are many who agree with me that the recess should not be arranged as it has been now, with the threat of a deadline and the threat of other action, during this last two month period. We should have a more orderly method of arranging it.

Mr. Speaker, I have made this speech before. I am surprised that it has not lent itself to the consideration of the government. When the late Mr. Pearson was leader of the government, for some reason or other, he supported

the suggestion and for three or four years we did have a recess during July and August. Perhaps the decision was made even before that.

Mr. Turner (Ottawa-Carleton): Let us in on the conversation.

Mr. Peters: Again, the Minister of Finance (Mr. Turner) has something to say. Mr. Speaker, during the time that he was Minister of Justice he never had a piece of legislation passed that he designed himself; it was all there from the previous minister of justice. The same is true of the present minister of justice; his legislation came from the previous minister. Nothing moves very fast in this place, Mr. Speaker. That is why I am making my pitch now, so that members will have an opportunity to give it full consideration before next year. We have spoiled most of this year, but I am hopeful that members will seriously consider doing something about the recess next year. I shall certainly start a little earlier to do my part to see that my objective is achieved.

The Acting Speaker (Mr. Laniel): Order, please. It is my understanding that there is unanimous agreement to revert to presentation of reports from standing and special committees for the purpose of giving the opportunity to the hon. member for Crowfoot (Mr. Horner) to present a report. Is this agreed?

Some hon. Members: Agreed.

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TRANSPORT AND COMMUNICATIONS

Fifth report of Standing Committee on Transportation and Communications in both English and French—Mr. Horner (Crowfoot).

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

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HOUSE OF COMMONS

TABLING OF STATEMENT RELATING TO SALARY REVISIONS, RECLASSIFICATIONS AND NEW CLASSES FOR LIBRARY OF PARLIAMENT

Mr. Speaker: Before calling on the next hon. member, I have the honour to lay upon the table copies of a statement relating to the approved salary revisions, reclassifications and new classes for the Library of Parliament.

MOTION RESPECTING SUMMER RECESS

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

That when the House returns from the giving of the royal assent to Bill C-196, an act respecting the 1976 summer Olympic games, it shall adjourn and shall stand adjourned until October 15, 1973, provided always that, if it appears to the satisfaction of Mr. Speaker, after consultations with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time;

That, in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for the purposes of this order;

That the hours of sitting on any day on which Bill C-2, an act to amend the Criminal Code, is designated as the business to be taken up under government orders shall be as follows: Mondays, Tuesdays and Thursdays, 11.00 a.m. to 1.00 p.m., 2.00 p.m. to 6.00 p.m., 8.00 p.m. to 11.00 p.m. Wednesdays, 2.00 p.m. to 6.00 p.m., 8.00 p.m. to 11.00 p.m. Fridays, 11.00 a.m. to 1.00 p.m., 2.00 p.m. to 5.00 p.m.

That there shall be no consideration of private members' business on any day on which Bill C-2 is considered;

That, on any Monday, Tuesday or Thursday on which the House, in accordance with this order, sits at 11.00 a.m., government orders shall be taken up between 11.00 a.m. and 1.00 p.m. and routine proceedings shall be taken up at 2.00 p.m.;

That 15 minutes before the hour of adjournment, as established under this order, on the next day that is designated for the resumption of the consideration of the report stage of Bill C-2, Mr. Speaker shall interrupt the proceedings then in progress and he shall put forthwith, successively, without further debate or amendment, every question necessary to dispose of the report stage of Bill C-2;

That no amendment shall be permitted to be proposed to the motion for third reading and passage of Bill C-2, nor shall any other dilatory, superseding or privileged motion, including any motion pursuant to Standing Order 46, be permitted to be proposed on any day designated for the consideration of Bill C-2, except with the unanimous consent of the House;

That during the debate on the motion for third reading of Bill C-2, the first speaker from each party shall speak no longer than 30 minutes and subsequent speakers shall speak no longer than 20 minutes; and

That should a recorded division be requested on the motion for third reading and passage of Bill C-2, the said division shall be deferred to a time to be announced by a minister of the Crown after reaching agreement with representatives of each party, but the said division shall not be deferred for a period of more than one week.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I do not want to take too long to say what I have to say but I think it should be said this afternoon. I want to remind the House that we are about to adjourn today having left hanging a matter of considerable importance, especially to the west coast of British Columbia. I refer, of course, to the recent events that have taken place with respect to the United States legislation approving the TAPS oil tanker route and the confusion regarding the Canadian position up until now. I want to remind hon. members that we have been faced with these problems since 1968, and throughout this entire period of time the government has, in one way or another, attempted to assure the people on the west coast that everything possible was being done, not just to keep tankers out of Puget Sound as has been suggested recently, but to stop the tanker route.

Mr. Sharp: No, that is not so. The hon. member knows that is not so.

Mr. Fraser: The hon. Secretary of State for External Affairs (Mr. Sharp) interrupts and says that is not so. That has not been the thrust of the remarks of members speaking on behalf of the Liberal Party in Vancouver over the past several years. There is no question that the present Leader of the Liberal Party in British Columbia

has been adamantly opposed to a tanker route, and throughout the last election campaign he had support on this point from members of the Liberal Party, both new candidates and those standing for re-election.

No matter what the minister may want to say now, I say that the position of the government today is not the position that people on the west coast thought they were taking earlier. The position of the government today is that our only concern has always been to keep tankers out of Puget Sound. If that is so, why has there been no attempt to offer an oil pipeline to the Americans if they would apply to the National Energy Board, as an alternative? After all, an oil pipeline had to be an alternative to the tanker route, not just to the tankers in Puget Sound.

The fact of the matter is, Mr. Speaker, that in 1971 the former minister for energy, mines and resources met with the companies involved in the Prudhoe oil fields and they made it quite clear that they would not fight the National Energy Board for a trans-Canadian oil pipeline. At that point, unless the Canadian government was prepared to adjust its position and enter into some sort of agreement, treaty or otherwise, with the Americans, it was clear that no matter how long we kept saying we invited an application to the National Energy Board, no invitation was going to come.

It seems incredible to me that we now say "what a shame the Americans did not accept our invitation" when we have known since 1971 that they would not. I see that the Secretary of State for External Affairs is agitated about some of my remarks. He says that perhaps my interpretation—I put that the kindest way I can—is not correct as to the government's position. If that is so, Mr. Speaker, how is it that on March 2, 1973 in answer to a question I asked in the House, the right hon. Prime Minister (Mr. Trudeau) was lauding the former member for Esquimalt-Saanich now the Liberal leader in British Columbia, David Anderson? He lauded Mr. Anderson and the quoted words are "for the very good turn of events". We have now reached the incredible position where the Americans finally have to come to us with a specific set of questions which we answered on June 27, which we changed on July 6, which we then told them about by telephone and which we delivered on July 16. My colleague the Secretary of State for External Affairs would agree that that has to be the definitive point in terms of diplomacy. We made our delivery and the Prime Minister's remarks were reported in the press, but that was one day before the Unites States Senate voted on it.

Mr. Speaker, I cannot go back and change what has happened. However, I should like to remind all hon. members that we have not appeared credible on this particular issue in terms of our diplomatic action. Second, the government does not look credible to people who have been concerned about this. What happened? On July 18 the Leader of the Opposition (Mr. Stanfield) moved a motion to send a parliamentary delegation to the United States. It did not have the leadership of the Prime Minister (Mr. Trudeau) and the government to clarify the situation with our United States friends. The following day, the New Democratic Party moved a motion to send a parliamentary delegation from the Interparliamentary Union. This did not have the leadership of the government. Apparently it did not even have the aegis of the government. On July 25, as recorded at page 5965 of *Hansard*, the Secretary of State for External Affairs (Mr. Sharp) said:

● (1510)

They went without instructions from the government and they will not report to us.

This committee did go to Washington. As the Secretary of State for External Affairs fairly and properly said the other day, some good may well have come of this. I thank him for saying that. He also indicated he perhaps would have a report, but there has been no report. There has been no arrangement whereby members of this committee can meet with ministers of the Crown to discuss what took place the other day in Washington. Nor has any arrangement been made for a debate on this matter.

The Secretary of State for External Affairs now says that the Americans have definitely decided to go ahead with the TAPS line, and that, to use his great words, we have just begun to fight. What in the name of heaven is the use of starting to fight after the battle is over?

Mr. Sharp: The battle is not over. It has not begun.

Mr. Fraser: The minister says the battle is not over. I'll say it is not over, but most of it is being waged on the opposition side of this House to try and get the government to do something.

Mr. Sharp: Why are you so defeatist about it?

Mr. Fraser: We are going to adjourn for two and a half months. We will perhaps be back here in October. We are leaving without any assurance from the government as to what this government is going to do about meeting with this committee who went to see our American counterparts. We do not know the position of the government as to whether we have a quid pro quo from our American friends to supply Canadian oil. We are not having a debate on this subject of vital importance. We are faced with a long adjournment. We will not be back until the middle of the autumn. As far as we are concerned, if what has happened in the past is any indication, nothing more will happen.

I ask hon. members on the government side to consider this. We cannot change what has happened, but there is a great moral responsibility on the government to act. I think the Secretary of State for External Affairs wants to act. I invite him immediately to call together some of the members of the committee and arrange to meet within the next week so that some co-ordinate action can be taken by this country to keep the tankers out of the Pugit Sound area. The government owes that much to the House and to hon. members who have been involved in this question. It owes that much to the Liberal member from British Columbia whom I will be the first to applaud for his heroic and apparently very lonely fight in opposing this tanker route.

I beg the government not to let this matter slide. Otherwise we will adjourn without a meeting of this committee, without government negotiations with the United States, without a debate and without a position. If this process

continues, we will be adjourning without a hope of stopping tankers in Pugit Sound.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I rise on a point of order. There might be some feeling in this House toward adjourning this motion for the purpose of taking, without debate, the report stage of Bill C-128. The report of the committee was just made by the hon. member for Crowfoot (Mr. Horner). Possibly we could deal with the report stage and third reading so that the bill might be sent to the other place an possibly included in the Royal Assent later this day. If the House by unanimous sent will allow an interruption at this stage, we might accomplish some useful business.

Mr. Baldwin: Mr. Speaker, we are agreeable to that. Our party feels the bill is in a much better condition than originally, and we contributed to that. We are quite prepared to have all stages completed so the other place can give it the calm, deliberate consideration it deserves.

The Acting Speaker (Mr. Laniel): Hon. members have heard the proposal of the Minister of Finance (Mr. Turner). Is there unanimous consent to proceed to the report stage of Bill C-128?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

AERONAUTICS ACT

PROVISION OF SECURITY MEASURES AT AIRPORTS

Hon. John N. Turner (for the Minister of Transport) moved that Bill C-128, to amend the Aeronautics Act, as reported from the Standing Committee on Transport and Communications, be concurred in.

Motion agreed to.

Mr. Turner (Ottawa-Carleton) moved that the bill be read the third time and do passe.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I do not want to delay this bill. However, after the discussions that took place in committee, I must say that it is regrettable, to put it mildly, that a schedule is not attached to this bill allocating the costs between the Department of Transport and the air lines.

There are a number of costs ancillary to security. A number of suggestions have been made and I reluctantly agreed to this bill without the schedule. This flows from the fact that I believe Canada is going to make more than a minor contribution to the international conference to be held in Rome. In view of the role we have played, we certainly should not restrict those who are going to act on behalf of Canada.

From an internal point of view, I believe this would have been a much better, more satisfactory and acceptable bill if it had a schedule of fees and regulations attached, rather than leaving this for drafting and presentation at a later date.

Motion agreed to and bill read the third time and passed.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

MOTION RESPECTING SUMMER RECESS

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

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That in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for the purposes of this order;

That the hours of sitting on any day on which bill C-2, An Act to amend the Criminal Code, is designated as the business to be taken up under Government Orders shall be as follows: Mondays, Tuesdays and Thursdays, 11.00 a.m. to 1.00 p.m., 2.00 p.m. to 6.00 p.m., 8.00 p.m. to 11.00 p.m. Wednesdays, 2.00 p.m. to 6.00 p.m., 8.00 p.m. to 11.00 p.m. Fridays, 11.00 a.m. to 1.00 p.m., 2.00 p.m. to 5.00 p.m.

That there shall be no consideration of private members' business on any day on which Bill C-2 is considered;

That, on any Monday, Tuesday or Thursday on which the House, in accordance with this Order, sits at 11.00 a.m., Government Orders shall be taken up between 11.00 a.m. and 1.00 p.m. and Routine Proceedings shall be taken up at 2.00 p.m.;

That 15 minutes before the hour of adjournment, as established under this Order, on the next day that is designated for the resumption of the consideration of the Report Stage of Bill C-2, Mr. Speaker shall interrupt the proceedings then in progress and he shall put forthwith, successively, without further debate or amendment, every question necessary to dispose of the report stage of Bill C-2;

That no amendment shall be permitted to be proposed to the motion for Third Reading and passage of Bill C-2, nor shall any other dilatory, superseding or privileged motion, including any motion pursuant to Standing Order 46, be permitted to be proposed on any day designated for the consideration of Bill C-2, except with the unanimous consent of the House;

That during the debate on the motion for Third Reading of Bill C-2, the first speaker from each party shall speak no longer than 30 minutes and subsequent speakers shall speak no longer than 20 minutes; and

That should a recorded division be requested on the motion for Third Reading and passage of Bill C-2, the said division shall be deferred to a time to be announced by a Minister of the Crown, after reaching agreement with representatives of each party, but the said division shall not be deferred for a period of more than one week.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I will be to the point. Earlier in the debate the right hon. member for Prince Albert (Mr. Diefenbaker), the hon.

member for York South (Mr. Lewis) and the hon. member for Winnipeg North Centre (Mr. Knowles) referred to the fact the minister in charge of the wheat board made a commitment to announce his new feed grains policy before the House adjourned for the summer recess. I think it is regrettable that the Minister of Justice (Mr. Lang) in charge of the Wheat Board is not here today to make a statement about the new feed grains policy. In these circumstances, the Acting Prime Minister (Mr. Sharp) or some other minister should rise on motions to tell us what the new policy is to be.

● (1520)

The farmers on the prairies are most concerned. The farmers unions, the co-operatives, the wheat pools, are most anxious that the government not remove feed grain from the jurisdiction of the Wheat Board. It is important that the authority of the board to market feed grain should not be eroded. The right hon. member for Prince Albert (Mr. Diefenbaker) was absolutely correct in saying that, if the government were to do this, the uproar on the prairies would be greater than ever before, that the Liberal party there would be totally annihilated because, to the people of the west, the Wheat Board is in many ways what collective bargaining is to a union man—something fundamental.

The orderly marketing of grain is important if a decent price to the farmers is to be maintained. It is also important to the consumers if they do not wish to see the price of food escalating year after year. I have it on good authority from people in the department concerned that a policy was decided on as long ago as March or April of this year. If this is the case, I strongly urge the Acting Prime Minister to make a statement on motions today telling the farmers and the people generally what they may expect in the future.

I am sure the Minister of Justice has deliberately chosen not to appear today because he does not wish to make a statement in the House. He does not want members of opposition parties to be given the opportunity to reply in this chamber where a reply ought to be made. The crop year ends on Tuesday of this week, at the end of July, and the minister must make his announcement by then.

I suggest he is deliberately withholding it in order to make such an announcement outside the House on Monday or Tuesday. I do not think any of the opposition parties want this to happen. The minister should not weaken the powers of the Board. On the contrary, he ought to increase the authority of the Board, giving it jurisdiction over more grains so as to offer farmers a better guarantee of decent prices.

The crop insurance bill has now been considered in committee. No amendments have been made to it. The party to which I belong is prepared to pass this bill without debate. I plead with the government House leader to bring it down so that it may be approved without debate. This would facilitate action by the governments of the prairie provinces which have anticipated that the bill would be passed. It is important that before the House rises the bill should go through, and I believe we could secure an all-party agreement to this effect.

[Mr. Nystrom.]

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, the Progressive Conservative party sent a delegation of western members of parliament to observe the western economic opportunities conference held in Calgary this week. I was one of those delegates and I have come to the House today to state that the national government has once more pulled off a gigantic public relations spectacular, but that their wooing of the west was not reciprocated. Indeed, the Liberals are as jilted today in the west as they were last October 30. And the reason is plain. The one thing the western premiers sought above all else was precisely what they failed to attain, namely, a new attitude by Ottawa toward the west.

Even from a distance, the right hon. member for Prince Albert (Mr. Diefenbaker) was able to observe the propaganda which dominated and characterized the meetings in Calgary. The Prime Minister (Mr. Trudeau) came to the conference with a massive amount of documents which said little except that Ottawa was looking after the west. Various ministers then took turns lecturing the premiers in a condescending manner. The premiers submitted short position papers on four subjects, transportation, industrial development, agriculture and capital financing, in which they made specific proposals. Taken together, these proposals would have formed the basis of a new national policy.

Some of the proposals, such as disclosure of freight rate costs on a limited and confidential basis and the provision enabling provinces to own partial equity in banks, were accepted. But the federal government made only small concessions in areas in which the premiers wanted major action; for example, the amendment of the National Transportation Act to specify that a major objective of the legislatures is the fostering of regional development. The Prime Minister and the Minister of Transport (Mr. Marchand) flatly refused that submission. I strongly support the request that this be written into law. Failure to provide such a legislative guarantee means that the west must continue to plead for economic justice rather than receive it by law.

Here we see clearly the way in which Ottawa has again missed the boat. The Prime Minister and his colleagues thought they could soothe western discontent by offering some goodies and promising more subsidies. It is not subsidies or special privileges that the west wants but the removal of federal barriers such as the iniquitous freight rate structure and the injurious tariff system which hinder diversified development in the west. The Calgary conference showed that the Liberal government still fails to understand or appreciate the potential and vitality of the west and its capability to solve its own problems.

It is little wonder that Premier Lougheed of Alberta should have said at the conclusion of the conference:

> Frankly, we would have forsaken any federal dollars, any federal programs, in exchange for improved understanding. We are not looking for special privileges but to avoid unnecessary obstacles . . . We feel we made some limited progress but we still feel fenced in.

Premier Blakeney of Saskatchewan said at the closure of the conference:

> I regret to say that after three days I did not see any progress toward that new national policy.

It was difficult in Calgary to escape the conclusion that the government was more interested in the future of the Liberal party in the west than in the future of the west itself. When it comes to slick salesmanship, nobody can beat the Liberals; but as the western conference clearly showed, they do not have the goods to back up the talk.

Finally, I wish to point out that practically nothing was said at Calgary about western potential and problems which has not been said many times in the House of Commons by western members of parliament. But the government does not listen to members of parliament, especially to western members of parliament. When the government does become serious about the west, its ministers run out to see the premiers, bypassing the representatives who were elected to bring regional concerns before the national forum. I protest the subverting by the government of the legitimate role of members of parliament. We all recall that the Prime Minister used to assert that federal M.P.s from Quebec were the representatives of that province, not the provincial government. In dealing with the west, he bypasses the M.P.s. Could this possibly be because 61 of the 68 western members of parliament are not Liberals?

● (1530)

Since the government wants, to quote the Prime Minister (Mr. Trudeau) in Calgary, "a stronger western voice in national decision-making", I urge the government to pay more attention to what western members of parliament advocate in parliament. Televised regional conferences as a showcase for the exhibition of political talent is undoubtedly a powerful weapon for the government, but we are in danger of their becoming substituted for parliament as the central forum for the conducting of national business.

I say to my colleagues from the Atlantic provinces, maybe you would like to have an Atlantic economic opportunities conference, but watch out. If this government sets up such a conference, it will use you for its own political advantages as it has just attempted to use the west. The result will be a lot of local excitement, and when the federal people go back to their enclaves in Ottawa, life will go on the same.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not rise on behalf of the government to answer all the speeches made this afternoon, but simply for the purpose of assuring the hon. member for Ontario (Mr. Cafik) that the government is working as speedily as possible to appoint the members of the review committee on the Pickering airport. As he knows, it is proving to be very difficult to find people of sufficient status and impartiality who can devote a year or more of their time to this purpose. We are working, and now that the House is adjourning we will have a little more time.

Mr. Baldwin: Mr. Speaker, I rise on a point of order. I was glad the minister answered the hon. member for Ontario (Mr. Cafik), who had a very legitimate complaint. Do I take it that his refusal to deal with the very legitimate complaints made by members on this side of the House means he has no answer?

Mr. Sharp: No, Mr. Speaker. I am looking forward to the House adjourning this afternoon and it would take quite a long time to answer all those unwarranted charges.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Speaker: The question is on the motion of Mr. Drury. Is it the pleasure of the House to adopt the said motion?

Some hon. Members; Agreed.

An hon. Member: On division.

Motion agreed to.

* * *

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received which is as follows:

Government House,
Ottawa 27 July, 1973

Sir,

I have the honour to inform you that the Honourable Bora Laskin, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 27th day of July, at 4. p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General,
Administrative Secretary
to the Governor General.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I wonder whether the House might be in the mood to adjourn until we are summoned by the bells.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on what I suppose is a point of order. May I remind the Minister of Finance (Mr. Turner), now the acting House leader, that earlier today we agreed to use this period of time for various things. We interrupted the business of the House to deal with two other bills which were put through. Would this not be an excellent opportunity to deal with the report stage and third reading of the crop insurance bill?

Mr. Baldwin: In this regard, Mr. Speaker, I have canvassed the opinion on this side of the House and am informed by members of the committee, who have laboured very hard to produce a good bill, that they have requested certain information from the Minister of Agriculture (Mr. Whelan) which has not been made available. Until that information has been made available, our members are not adequately equipped to debate the bill on third reading.

Mr. Knowles (Winnipeg North Centre): I take it, Mr. Speaker, that we are still on motions?

Mr. Speaker: Yes. I am surprised that I have not heard a motion under Standing Order 43.

Mr. Knowles (Winnipeg North Centre): I have one.

ROUTINE PROCEEDINGS

[*English*]

CROP INSURANCE ACT

SUGGESTION TO PROCEED WITH REPORT STAGE AND THIRD READING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in so far as this side of the House is concerned, I think this is an appropriate occasion to ask leave under Standing Order 43 to move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House now proceed to the consideration of the report stage and third reading of Bill C-129, an act to amend the Crop Insurance Act.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Winnipeg North Centre (Mr. Knowles), which requires unanimous consent.

Mr. Baldwin: Mr. Speaker, we are prepared to give unanimous consent to the motion being put, but we would like the opportunity to have a meeting of the House leaders in order to arrange when we could discuss the motion.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, in view of what the hon. member for Peace River (Mr. Baldwin) said earlier, it is obvious there is no chance of the House being able to dispose of this matter at the moment. For that reason we cannot agree to this motion.

Mr. Knowles (Winnipeg North Centre): Who is saying no? Is it the member for Peace River (Mr. Baldwin), or the Minister of Finance (Mr. Turner)?

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I heard several no's; therefore the motion cannot be put.

Mr. Nystrom: On a point of order, Mr. Speaker. I think it should be pointed out very clearly that the no's came from the Conservative Party.

An hon. Member: That is not true.

Some hon. Members: Shame.

[Mr. Baldwin.]

Mr. Speaker: Order, please. I suggest to the hon. member that it is improper to make that kind of suggestion. The Chair hears some no's and does not attempt to identify them. As long as they are loud and clear, which they were, that should be sufficient.

Considering all the circumstances, I am wondering whether the House might not view favourably the suggestion by the Minister of Finance that we rise to the call of the bells. I have the impression that if we are going to limit ourselves to points of order between now and four o'clock when we are called to the other place, we might consider seriously the possibility of rising now for a few minutes.

* * *

EXTERNAL AFFAIRS

SUGGESTION THAT FRANCE AND CHINA BE ASKED TO ABANDON ATMOSPHERIC NUCLEAR TESTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, I rise on a matter of urgent and pressing necessity to seek leave to move a motion under Standing Order 43. I move, seconded by the hon. member for Meadow Lake (Mr. Nesdoly):

This House calls upon the governments of the Republic of France and the People's Republic of China to recognize the mounting world opinion opposing nuclear testing and cancel their atmospheric tests.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Knowles (Winnipeg North Centre): Who said no to that?

Mr. Speaker: There is not unanimous consent, and the motion cannot be put.

* * *

SPORTS

SUGGESTION RECREATIONAL FACILITIES BE FINANCED BY SALE OF COINS AND LOTTERIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I rise on a matter of national importance to seek leave under Standing Order 43 to move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House urge the government to provide communities across Canada with ice rinks, stadia and swimming pools and other urgently needed sports and recreational facilities through a $500 million fund to be financed by the sale of commemorative coins and stamps and a national lottery.

Mr. Speaker: I am sure this motion is submitted with a degree of levity and that the hon. member does not propose that it be put. Unless there is a motion under Standing Order 43 to abolish Standing Order 43, I suggest to the House that we might rise to the call of the bells.

Some hon. Members: Hear, hear!

Mr. Speaker: I might just add one word before we rise to remind hon. members that, as usual, there will be an opportunity for members to meet for a short while in room 16 after royal assent. I hope hon. members will find it possible to call on the Speaker at that time.

Some hon. Members: Hear, hear!

SITTING SUSPENDED

At 3.42 p.m. the sitting was suspended.

● (1610)

SITTING RESUMED

The House resumed at 4.10 p.m.

● (1620)

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

Crop Insurance

● (1640)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-128, an act to amend the Aeronautics Act,—Chapter No. 20.

Bill S-6, an act respecting Centre Amusement Co. Limited.

Bill C-195, an act to amend the Customs Tariff (No. 2).—Chapter No. 22.

Bill C-208, an act to suspend the operation of the Electoral Boundaries Readjustment Act.—Chapter No. 23.

Bill C-194, an act to amend the Excise Tax Act and the Excise Act (No. 2).—Chapter No. 24.

Bill C-4, an act to amend the Fisheries Development Act.—Chapter No. 25.

Bill C-21, an act to amend the Harbour Commissions Act (Nanaimo Harbour Commission).—Chapter No. 26.

Bill C-197, an act to amend the Immigration Appeal Board Act.—Chapter No. 27.

Bill C-212, an act respecting certain immigration laws and procedures.—Chapter No. 28.

Bill C-192, an act to amend the Income Tax Act (No. 2).—Chapter No. 29.

Bill C-193, an act to amend the statute law relating to income tax (No. 3).—Chapter No. 30.

Bill C-196, an act respecting the 1976 Summer Olympic Games.—Chapter No. 31.

Bill C-131, an act respecting wildlife in Canada.—Chapter No. 21.

On motion of Mr. Faulkner the House adjourned at 4:43 p.m., pursuant to special order made this day, until Monday, October 15, 1973, at two o'clock p.m.

HOUSE OF COMMONS

Thursday, August 30, 1973

The House met at 2 p.m.

[*Translation*]

HOUSE OF COMMONS

STATEMENT BY MR. SPEAKER RESPECTING CALLING OF HOUSE

Mr. Speaker: Order. I have the honour of informing the House that pursuant to a resolution passed by this House Friday, July 27, 1973, as recorded on page 521 of the *Votes and Proceedings,* concerning the adjournment of the House, I had a notice published in a special edition of the *Canada Gazette* as of Tuesday, August 28, 1973, to call this House to meet today.

I now table a copy of special issue No. 26 of the *Canada Gazette* dated Tuesday, August 28, 1973.

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

REQUEST FOR MEASURES TO DEAL WITH COST OF LIVING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. David Lewis (York South): Mr. Speaker, I seek the unanimous consent of the House to move the following motion:

That this House urges the government to present to parliament, immediately after the disposition of the railway strike legislation, measures to cope effectively with the high cost of living, and that such measures be dealt with prior to any adjournment of this House.

Mr. Speaker: The motion, presented under the terms of Standing Order 43, requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

TRANSPORT

SUGGESTED MEASURES TO ALLEVIATE EFFECTS OF RAIL STRIKE ON ISOLATED COMMUNITIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity dealing with the many effects the rail strike has had and is having across this country, in particular, the effects of the rail strike on isolated communities all across the country. I move, therefore, seconded by the hon. member for Malpeque (Mr. MacLean):

That the government take immediate steps to provide vital services to alleviate inconveniences suffered by travellers on our island provinces, to facilitate movement of feed grain to livestock producers, to provide vital food supplies to isolated northern communities and to ensure that the health and welfare of all Canadian citizens are not affected in any way by the detrimental consequences of this national strike.

Mr. Speaker: As hon. members well know, a motion presented under the terms of Standing Order 43 requires unanimous consent. I will inquire whether there is unanimity.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

* * *

[*Translation*]

CANADIAN NATIONAL RAILWAYS

INQUIRY INTO ADMINISTRATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, under the provisions of Standing Order 43, seconded by the hon. member for Kamouraska (Mr. Dionne), I request the unanimous consent of the House to move a motion that this House put adequate pressure on the government in order that a commission of inquiry be set up to analyze fully the administration of the Canadian National Railways, and particularly any question as to unjustified expenditures at the executive level of the Canadian National Railways and all related administrative problems.

Mr. Speaker: The House has heard the hon. member's motion. Under Standing Order 43, this motion requires unanimous consent from this House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

[*English*]

EXTERNAL AFFAIRS

ALLEGED MISTREATMENT OF CREW MEMBERS OF "GREENPEACE III"—SUGGESTED DEMAND FOR APOLOGY FROM FRANCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, in view of the denial of the government of France of any mistreatment or beating of the crew members of the *Greenpeace III*, and in view of the production of factual photographs to the contrary, I ask leave of the House under the terms of Standing Order 43 to move, seconded by the hon. member for Hamilton-Wentworth (Mr. O'Sullivan):

That this House instruct the Prime Minister to demand a public apology from the government of France and to demand that those involved in this assault be brought to justice and that compensation be paid to those injured in this unprovoked assault which took place on one of our ships in international waters.

Mr. Speaker: Under the terms of Standing Order 43, the hon. member's motion requires unanimous consent. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put.

* * *

SOCIAL SECURITY

SUGGESTED PROCEEDING WITH OLD AGE PENSION LEGISLATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, hoping that by this time the House is prepared to agree to a motion under Standing Order 43, I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House urges the government to place on the Order Paper forthwith its proposals relating to the quarterly escalation of Old Age Security and Guaranteed Income Supplement payments and that this legislation be proceeded with immediately following the disposition of the railway strike legislation.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

[Mr. Speaker.]

AGRICULTURE

SUGGESTED REFERENCE OF BEEF AND PORK EXPORT CONTROLS TO COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under Standing Order 43 to move a motion dealing with a matter of urgent and pressing necessity. The export controls on beef and pork have had the effect of sharply reducing farm income while no simultaneous steps were taken to reduce farm costs. I move, seconded by the hon. member for Annapolis Valley (Mr. Nowlan):

That the matter of beef and pork export controls be referred to the Standing Committee on Agriculture for study and report.

Mr. Speaker: I will inquire whether there is unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put.

* * *

[*Translation*]

CONSUMER AFFAIRS

CONTROL OF EXPORTATION OF MEAT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. René Matte (Champlain): Mr. Speaker, pursuant to Standing Order 43, I ask unanimous consent of the House to study a matter of urgent and pressing necessity.

In view of the fact that the Canadian consumer must have priority, I move, seconded by the hon. member for Abitibi (Mr. Laprise):

That this government apply immediate controls on meat exports, including those covered by contracts already signed and in force.

Mr. Speaker: This motion is moved under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion of the hon. member cannot be put.

* * *

[*English*]

FOOD PRICES REVIEW BOARD

SUGGESTED INCREASE IN POWERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, I ask leave to move a motion under Standing Order 43, seconded by the hon. member for Toronto-Lakeshore (Mr. Grier):

That this House urges the government to present forthwith legislation to establish a prices review board with power to cope with high costs—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member should be given an opportunity to put the motion for consideration.

● (1410)

Mrs. MacInnis (Vancouver Kingsway): I ask leave under the terms of Standing Order 43 to move, seconded by my hon. friend from Toronto-Lakeshore:

That this House urge the government to present forthwith legislation establishing a prices review board with power to cope with high costs in all areas—

Some hon. Members: Hear, hear!

Mrs. MacInnis (Vancouver Kingsway): Wait. I have some other ideas.

Some hon. Members: Hear, hear!

Mrs. MacInnis (Vancouver Kingsway):

—including power to order price roll-backs and that such legislation be proceeded with immediately following the disposition of the rail strike legislation.

Some hon. Members: Hear, hear!

Mr. Speaker: Is there unanimous consent?

Some hon. Members: No!

Mr. Speaker: There is not unanimous consent.

* * *

HOUSING

NEED FOR LEGISLATION TO PROVIDE MORTGAGE MONEY AT SIX PER CENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. It concerns the fact that we are now approaching a period in Canadian history when mortgage rates will be at the highest level ever, pricing homes beyond the capacity—

Mr. Speaker: Order, please. The hon. member is now presenting an argument in support of the motion he proposes. He should indicate the terms of the motion.

Mr. Broadbent: I will read the motion now. It is seconded by the hon. member for Regina-Lake Centre.

That this House urge the government to present immediately legislation making it mandatory for banks and other federally-chartered financial institutions to make mortgage money for housing available at an interest rate not exceeding 6 per cent.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: No!

Mr. Speaker: There is not.

Railway Operations Act

HOUSE OF COMMONS

IDENTIFICATION OF MEMBERS REFUSING CONSENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I, too, rise on a matter of urgent and pressing necessity to move a motion under Standing Order 43, seconded by the hon. member for Timiskaming. The motion is:

That those Liberals and Conservatives who said "no" to any of the preceding motions be required to identify themselves.

Some hon. Members: Oh, oh!

Mr. Speaker: I have already heard a number of "Nos" in response to the motion proposed by the hon. member. There is not unanimous consent.

Mr. Hees: Paper tigers!

* * *

MAINTENANCE OF RAILWAY OPERATIONS ACT, 1973

MEASURE TO PROVIDE FOR RESUMPTION OF OPERATIONS AND SETTLEMENT OF DISPUTES

Hon. John C. Munro (Minister of Labour) moved for leave to introduce Bill C-217, to provide for the resumption and continuance of operations of railways and for the settlements of the disputes with respect to terms and conditions of employment between railway companies and their employees.

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

Mr. Speaker: When shall the said bill be read the second time?

Mr. MacEachen: Mr. Speaker, I rise in order to seek consent of the House to proceed with second reading of this bill later this day. If this were possible, we would call it as the first item when Orders of the Day have been dealt with.

Mr. Baldwin: There has been some discussion of this question through the usual channels and we would be prepared to give our consent to this agreement. We feel, however, that we are entitled to examine the bill to see what the government has put together, and I believe there is an understanding that any debate which may take place on the bill will not begin until a period of two hours has elapsed during which all hon. members will have an opportunity to study the legislation.

Mr. Knowles (Winnipeg North Centre): The hon. member for Peace River has stated the substance of the agreement we reached a while ago. We are prepared to stand by that agreement, namely that we are willing for second reading of this bill to be called for debate later this day. By that we mean there shall be a two-hour suspension of the sitting of the House at the end of the question period, and when those two hours have gone by, and we have had a chance to study the bill, the House can be

summoned again to proceed with debate on second reading.

We are also prepared to agree now to the suspension of the private members' hour today.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we have participated in the discussions concerning this request for unanimous agreement to consider a motion for second reading of this bill today; we have given our assent as well as for the two hour delay that we requested in order to be able to give this bill appropriate consideration. We are here to work and are prepared to do so.

[*English*]

Mr. Speaker: The understanding of the Chair is that there is to be a two-hour suspension of the sitting immediately after calling second reading of this bill, by leave and by unanimous consent. Is this agreed and so ordered?

Some hon. Members: Agreed.

Mr. Speaker: I also understand that the private members' hour will be dispensed with today. Is that agreed and so ordered?

Some hon. Members: Agreed.

* * *

FAMILY ALLOWANCES ACT

On the Order:

July 19, 1973: Mr. Stackhouse—Bill intituled "An act to amend the Family Allowances Act".

Mr. Speaker: I believe that the hon. member for Scarborough East (Mr. Stackhouse) introduced his bill in the first instance some weeks ago before the House recessed for a short while and that there was some difficulty in relation to possible financial provisions to the bill. It was agreed that the matter might be allowed to stand for the time being. I suggest to the hon. member that perhaps later on there might be argument heard from the hon. member or others in respect of the acceptability of the bill in question, so the bill will stand.

* * *

NON-SMOKERS RELIEF ACT

MEASURE TO PROVIDE RELIEF TO NON-SMOKERS IN TRANSIT

Mr. Barry Mather (Surrey-White Rock) moved for leave to introduce Bill C-218, respecting relief to non-smokers in transit.

He said: Mr. Speaker, I think you and the House for recognition of this bill which was placed on the Order Paper just before the House recessed. The purpose of it is to give relief to travelling non-smokers by requiring that railways, planes and buses under federal jurisdiction provide them with separate seating accommodation. This is in line with the fact that there is now medical evidence that secondary smoke inhalation not only causes distress to non-smokers in Canada, who constitute a majority, but can jeopardize their health, particularly if they suffer from respiratory or lung ailments.

[Mr. Knowles (Winnipeg North Centre).]

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

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

POSSIBLE INTRODUCTION OF MEASURES TO HALT INFLATION—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the right hon. Prime Minister a question or two, not about specific items and measures, but in respect of the fact that the annual rate of inflation is now about 8 per cent. I should like to ask whether the government has prepared a comprehensive and decisive program to deal with this rate of inflation and halt it and, if so, when that program will be instituted, and, most specific of all, when those measures and that program will be presented to this House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government is most anxious to use the fact that the House is reassembled to take steps to deal with the hardships which have been caused the people of Canada as a result of inflation. As soon as the House can dispose of the bill in front of us now on the railway disputes, we will be anxious to give leadership in the other field.

● (1420)

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Hees: He gets marks for a sense of humour, anyway.

Mr. Stanfield: It worries me, Mr. Speaker, that I am so popular on that side of the House.

Some hon. Members: Hear, hear!

* * *

SOCIAL SECURITY

DATE OF INTRODUCTION OF MEASURES RESPECTING OLD AGE PENSIONS AND COMMENCEMENT OF ADJUSTMENT PERIOD

Hon. Robert L. Stanfield (Leader of the Opposition): I hope the government will do something to provide some form of leadership besides leading prices upward. I should like to ask the Prime Minister when we may expect the measure adjusting old age pensions and the guaranteed income supplement to a quarterly escalation and whether we can expect that will be immediately and whether the

date for the commencement of the adjustment will not be October 1 but July 1 last.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the support my answer brought on this side of the House indicates the willingness of our members to assist the government in getting the government's legislation through. I am sure it is the will of all members on both sides of the House to get on with this action. The question asked by the Leader of the Opposition relates to an announcement I made during the first part of August. If he looks back at that statement, he will see we indicated that this escalation would take place on October 1st, and would take into account the increase in the cost of living which happened before October 1, so the answer to his question is that we are going to follow on the announcement I made in early August and will do so in a way that the pensioners will have the benefit of their escalation dated from October 1.

Some hon. Members: Hear, hear!

Mr. Stanfield: In other words, Mr. Speaker, the answer is that the change will not be effective as of July 1, as I requested. One final supplementary.

Mr. Sharp: He did not say that.

Mr. Stanfield: Yes, he did. Mr. Speaker, may I seek clarification. I do not want any misunderstanding among my friends opposite. I asked the right hon. gentleman whether he would make this measure effective as of July 1, and he said no, that it would be effective October 1.

An hon. Member: Right.

Mr. Trudeau: Mr. Speaker—

Mr. Speaker: Order, please. The Leader of the Opposition is now on a point of order, a point of debate or some point, but I respectfully think we should make an effort to get on with the question period which is a 40 minute period. I am sure that many members are anxious to ask questions. Perhaps the Leader of the Opposition might ask his supplementary and the Prime Minister could reply.

Mr. Stanfield: Mr. Speaker, my final supplementary relates to the pricing of wheat for domestic consumption. In view, among other things, of the call by the Food Prices Review Board for this subsidy as a matter of great urgency, I should like to ask the right hon. gentleman whether his government intends to inaugurate such a subsidy to revise the price of wheat for domestic consumption, and if so when?

Mr. Trudeau: Well, Mr. Speaker, I am sure that the Leader of the Opposition would want me to clarify the unintentionally misleading impression he gave about my first answer. The answer is that the cheques, of course—

Some hon. Members: Order.

Mr. Trudeau: The cheques cannot be issued before this date. They will only be issued on the date of October 1. But it is our intention to ensure that the cheques do take into account the increase in the cost of living which took place since July 1. So, I think that the intention of the Leader of the Opposition is the same as that of the government.

On the second part of the question—

Mr. Speaker: Order, please. I am not sure at this point whether the Prime Minister is on the point of order or is answering the supplementary question of the Leader of the Opposition. Obviously, we are not making much headway and I would ask for the co-operation of both the right hon. Prime Minister and the Leader of the Opposition to try to get through the question period a little faster.

Mr. Stanfield: I would like the right hon. gentleman to answer my last question.

Some hon. Members: Hear, hear!

Mr. Stanfield: I resent his suggestion that I made a misleading interpretation of his answer to my previous question. It is very clear.

Some hon. Members: Question.

Mr. Speaker: May we have order, please? I am sure hon. members can see that perhaps there is no point at all in having a question period if we do not have order and if we spend the time on points of order and arguing about what was said. Following the next question and reply, I will recognize the hon. member for York South.

Mr. Stanfield: I just want to remove any suggestion that I misinterpreted the Prime Minister's answer to me. His answer to me indicated that the increase in pension cheques would start after October 1, but they would take into consideration the increase in the cost of living up to that time. What I asked the Prime Minister was whether he would commence the increase in the cheques as of July 1, rather than October 1.

Mr. Trudeau: Mr. Speaker, the cheques for July have already gone out.

Some hon. Members: Hear, hear!

Mr. Trudeau: What I was telling the Leader of the Opposition, in answer to his question, was that rather than wait for the escalation, which would be annual based on the increase in the cost of living, we will do it quarterly, but the first quarterly increase which we will bring in from October 1 will take into account all increases in the cost of living until that date. Surely, the Leader of the Opposition is not suggesting—

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I wonder whether we might now go on to the next question. If hon. members feel they want a debate on this interesting point, it could be taken up some other time. Is the Leader of the Opposition rising on a point of order? Perhaps he might allow me to complete the first round of questioning, and I will return to him if he wishes the floor at that time.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): I should like to put a supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. Would the hon. member allow me first to complete the first round of questions and then we may perhaps be able to get back to the subject that he wants to discuss?

I recognize the hon. member for York South.

* * *

[*English*]

GRAIN

POSSIBLE INCREASE IN SUBSIDY ON WHEAT—GOVERNMENT POSITION

Mr. David Lewis (York South): Mr. Speaker, before we got into this confusing exchange, the Leader of the Opposition did ask a question that I was going to ask. May I put it to the Prime Minister now. Does the government intend to increase the subsidy on wheat in view of the fact that it reduced it from $1.04½ to $1 and in view of the fact that the price of wheat has gone up considerably? Is the minister considering adopting the recommendations made by Mrs. Plumptre and the review board that there be an immediate increase in the subsidy on wheat?

● (1430)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure that the Leader of the New Democratic Party is not linking the two premises when he says that we reduced the subsidy from $1.04 to $1.00. This, it should be well understood, is not the reason the price of wheat has gone up the way it has.

Some hon. Members: Oh, oh!

Mr. Trudeau: I think every member of the House is aware that the price of wheat has increased considerably, and this is well beyond the question of the subsidy. On the other question, I shall have to ask the Leader of the Opposition and all members of the House to wait until we have dealt with the bill, then we will see what action we are prepared to take on that possibility.

* * *

THE CANADIAN ECONOMY

INQUIRY AS TO GOVERNMENT PROGRAM TO DEAL WITH COST OF LIVING

Mr. David Lewis (York South): Mr. Speaker, I think all members of the House on whatever side appreciate that the details of any program that the government may or may not have will be presented to us at some future date. I want the Prime Minister, none the less, to inform the House, if he can, whether a program to deal with the cost of living that he proposes eventually to present to the House will be limited to the matters he mentioned in early August or whether his program will go beyond those matters to deal with such things as greater powers to the review board or the government, whichever it may be, to roll back prices and other subsidization of basic foods and costs?

Mr. Speaker: Order, please. Perhaps the Prime Minister might be allowed to reply to the hon. member's question now.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am afraid that I will have to ask the Leader of the New Democratic Party to be as patient as everybody else on this subject, and perhaps more patient. We feel that the House was brought back for a very urgent matter, the matter of getting the trains running again. We will—

Some hon. Members: Oh, oh!

An hon. Member: They should not have stopped.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for York South for a supplementary, and then the hon. member for Témiscamingue who has a supplementary or supplementaries on the same subject.

REQUEST FOR INFORMATION ON RATE OF PRICE INCREASE DURING 1973

Mr. David Lewis (York South): Mr. Speaker, may I direct a supplementary question to the ever wise Minister of Finance who is so good at forecasting. May I ask the minister whether he can give the House any idea of the information he has with respect to the rate of price increases that we may face in the course of the full year of 1973 related to the productivity or to the gross national product increase and the difference between actual figures and real figures?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I cannot give that answer because a good deal of the price increases in this country are affected by world commodities, both agricultural and non-agricultural. There is no way I could estimate the conflicts of demand and supply forces around the world and pinpoint them as accurately as the hon. member wants.

Mr. Bell: Don't forget the weather, John.

Mr. Speaker: Order, please. I apologize to the hon. member.

Is the hon. member rising on a point of order?

Mr. Lewis: On a brief one, Mr. Speaker. My point of order is that the Minister of Finance cannot be serious when he says this today—

Some hon. Members: Order, order!

Mr. Lewis: —or alternatively, could not have been serious when he informed the House—

Mr. Speaker: Order, please.

Some hon. Members: Order, order!

Mr. Speaker: Order, please. I am sure the hon. member is not serious when he suggests that is a point of order.

[*Translation*]

SUGGESTED HIGHER GRANTS TO CONSUMERS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister.

In view of the fact that the No. 1 problem in Canada affects the consumer rather than the producer, are the Prime Minister and this government considering seriously the need to make more substantial grants available to the consumers so as to help Canadian producers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot answer the hon. member in very specific terms but if he looks at the measures announced by us in August he will see that they are in fact aimed at increasing the purchasing power of some consumers. We talked about older people earlier and we want to increase their purchasing power.

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

The Prime Minister says that some categories of people in Canada are receiving increased pensions, which contributes to increasing their purchasing power, but does the government think about consumers as a whole which would help avoid situations as disgraceful as those we were faced with at noon time in front of Parliament?

Mr. Trudeau: Mr. Speaker, when the Minister of Finance in his last budget reduced the income taxes of all Canadians and at an average rate affecting people up to 13 per cent it was a way of giving them greater purchasing power.

* * *

[*English*]

TRANSPORT

SUGGEST EIGHTEEN MONTH FREEZE ON FREIGHT RATES—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Transport. May I ask whether, since he made the announcement at that rather uncertain western economic conference in Calgary that he was asking for an 18-month freeze on freight rates, it has been brought about?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think what I said exactly in Calgary is as follows: I said that I would ask the railway companies, and particularly Canadian National Railways which is state owned, not to increase their rates for 18 months and up to now they have accepted what I asked them to do.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Have the railway companies agreed? Then, I ask the minister as well, in the event that they did apply for increases and they were granted by the Transport Board, would the government turn down such increases?

Mr. Speaker: Order, please. The right hon. member appreciates, as the minister does I am sure, that the question is hypothetical as asked in those terms.

* * *

LABOUR CONDITIONS

REFERENCE TO STATEMENTS BY MINISTER ON ENDING STRIKE OF NON-OPERATING RAILWAY EMPLOYEES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I will not ask any hypothetical question. I will ask the Minister of Labour why we are here today, because on August 21 he made the statement in Montreal as reported in the press, "We will end the strike tonight". Then, describing himself in the Imperial and plural "We" said, "We are down here to wrap this up". What took place that prevented this wrapping up operation in this and the other pronunciamentos that were issued by the minister?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I do not think the quotations that the right hon. member for Prince Albert has mentioned are precisely accurate.

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): There is no doubt that it was my firm hope, and there seemed to be—

Mr. Diefenbaker: Not a hope, but a statement of fact.

Mr. Munro: Could I finish answering the question please? There was a hope on the part of all parties involved that we might—

Mr. Speaker: Order, please. I apologize to the hon. minister who is attempting to reply to the question asked by the right hon. gentleman. I have two reservations about the question as it was asked and the answer which the hon. minister is quite rightly attempting to give. I have indicated to hon. members before that we do not achieve very much by initiating debate on statements made outside the House. According to the rules and long established practice, questions should be asked directly rather than asking ministers to confirm or deny statements made outside the House.

My second difficulty in relation to the second question of the right hon. member is that it is anticipating an order of the day. I gather that later today, and for some time after, we will be discussing a very important piece of legislation, and I hope that hon. members will not get themselves involved in discussion of that situation too deeply at this time.

● (1440)

Mr. Diefenbaker: Mr. Speaker, the last thing in the world I want is to indulge in anything that would be contrary to the rules.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, Ringling Brothers never had such trained seals.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, I ask the minister this. In view of his definite statement on August 7, that he, describing himself as "we", "will end the strike tonight," and that "we are down here to wrap it up," what happened between the time that he uttered those immortal words and the fact that his words were not accepted?

Mr. Speaker: Order, please. It might have been easier to allow the Minister of Labour to reply briefly to this question in the first instance. The right hon. gentleman has simply repeated the question which I suggested to him was not in order. But the question having been asked twice, the minister should be allowed to reply, and we will try to make some headway afterwards.

Mr. Munro (Hamilton East): Mr. Speaker, I have already cast doubts on the accuracy of the quotation; but there is no question that it was my hope—

Mr. Diefenbaker: It was a statement of fact.

Mr. Munro (Hamilton East): —that there was some basis for optimism that we could get a settlement—

Mr. Diefenbaker: We.

Mr. Munro (Hamilton East): —without the necessity or recalling Parliament. That did not prove to be the case. I am sure, as Mr. Speaker has indicated, when we come back after all parties in this House have had a chance to study this legislation, that I will be prepared to answer all questions along the lines that the right hon. member for Prince Albert is asking.

* * *

TRANSPORT

REQUEST FOR SPECIAL MEASURES TO SUPPLY COMMUNITIES AND AID STRANDED TRAVELLERS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Prime Minister. In view of the many hundreds of tourists who are stranded in Newfoundland and Prince Edward Island, and in view of the fact that essentials such as food, oil and gasoline are not available to isolated communities across the nation, can the Prime Minister advise this House what immediate steps are being undertaken to relieve this critical situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have already had occasion to reply to that question by way of telegram to Premier Moores, and I believe also that the hon. member has had communications from people in my office indicating to him what had been done. Certain measures had been taken, such as airlifts to help people to move from where they were stranded. As to the question of moving vehicles, Mr. Speaker, the Canadian government is not equipped to satisfy all requests in that regard.

[Mr. Speaker.]

Mr. Marshall: A supplementary question, Mr. Speaker. I thank the Prime Minister for the answer. In view of there being some 300 American tourists stranded in Newfoundland who have no quarrel with the strikers, has the Prime Minister been in communication with the United States, to try to obtain relief for the situation in which these tourists find themselves?

Mr. Trudeau: Mr. Speaker, the best way we could try to assist them, beyond the measures which have already been taken, would be if the House would co-operate in getting this legislation through very quickly so that the railroads can begin working again.

Mr. Marshall: Mr. Speaker, may I direct a supplementary question to the Minister of National Defence. Since one of the missions of the Department of National Defence is aid to the civil powers, would the minister be prepared to send in air transport aircraft to carry some of the citizens and vehicles, which they are capable of doing?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker.

* * *

ADMINISTRATION OF JUSTICE

SUGGESTED AMENDMENT TO BILL OF RIGHTS TO ENSURE PROVISIONS AGAINST DISCRIMINATION WILL PREVAIL

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister of Justice. In view of the far reaching decision of the Supreme Court of Canada in the Lavell case, will the Minister of Justice give consideration to introducing an amendment to the Canadian Bill of Rights, to make it clear that the provisions of the Bill of Rights dealing with discrimination by reason of race, national origin, colour, religion or sex are to prevail over any other legislation and invalidate any other legislation of Parliament inconsistent with the Bill of Rights?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the question raised by the hon. member is an extremely important one and, of course, requires a careful analysis of the judgment and its implications before any opinion can be finally arrived at. We will be certainly looking at it from this point of view, to see if any further legislation is required.

CONSUMER AFFAIRS

POSSIBLE LEGISLATION AGAINST PRICE GOUGING—GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. In view of the statement earlier this month by the Minister of Consumer and Corporate Affairs that the government is considering legislation to make price gouging a criminal offence, in order to modify the sharp increase in food prices, does the government intend to introduce such legislation in the near future and, if so, when can it be expected?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member would refer to my own statement made at the same time, he would see that it was indicated by the government that its intention would be to seek parliamentary authority to prevent such abuse of the market system, if and when required. We said we would be waiting for reports from the Food Prices Review Board and indications that such "gouging" was taking place to see what the best way would be to bring an end to it.

Mr. Hees: A supplementary question—

Mr. Speaker: The Chair will recognize the hon. member for Prince Edward-Hastings on a supplementary, the hon. member for St. John's East on a supplementary and the hon. member for Skeena on a supplementary to the previous question. I hope that we can proceed quickly with those three supplementaries.

Mr. Hees: Mr. Speaker, my supplementary question is this. As several weeks have passed since the Prime Minister and the Minister of Consumer and Corporate Affairs made that statement, has the information that the government received since that time indicated to it that it should introduce such legislation right now, and will it be introduced at this present sitting of the House?

Mr. Trudeau: Mr. Speaker, the hon. member would be able to answer that for himself—

Mr. Hees: Why don't you answer it?

Mr. Trudeau: Because you should be reading what the board reported publicly, George.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for St. John's East. I ask the co-operation of hon. members.

Mr. Hees: On a question of privilege, Mr. Speaker, I have read those reports and they indicate that the government should be taking that action right now.

TRANSPORT

REQUEST FOR ASSISTANCE TO ALLEVIATE SHORTAGE OF SUPPLIES IN NEWFOUNDLAND

Mr. James McGrath (St. John's East): Mr. Speaker, I have a question for the Prime Minister. In view of the very critical situation developing in the province of Newfoundland as a consequence of the strike and in view of the very strong representations from the government of Newfoundland and the constitutional responsibilities of the federal government in relation thereto, may I ask the Prime Minister if he intends to enter immediately into negotiations with the government of Newfoundland, to provide special assistance and special means to alleviate the very serious and critical shortages, especially in northern communities?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I answered a moment ago that I had already sent the Premier of Newfoundland a telegram on this subject. I take it that he has made the representations to me that he wanted to make, and I answered him.

* * *

INDIAN AFFAIRS

POSSIBLE CONSULTATION WITH NATIVE PEOPLE ON AMENDMENTS TO INDIAN ACT

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to address a supplementary question to the Minister of Indian Affairs and Northern Development related to the response just given by the Minister of Justice. Will the Minister of Indian Affairs and Northern Development reconfirm that it is his and his government's intention to prepare amendments to the Indian Act after listening to what the Indian people have to say and not what the Minister of Justice might have to say.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have already started reexamining the Indian Act with the Indians themselves; we financed an Indian committee to draft a bill that we could reexamine but we have not yet received its report.

* * *

FINANCE

INCREASE IN BANK INTEREST RATES—REQUEST FOR INVESTIGATION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the hon. Minister of Finance.

Has he made inquiries from the chartered banks of Canada which over the past couple of months have announced two or three successive increases of their interest rates which are decidedly abusive.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have contacted the President of the Canadian Banking Association and, although there has been no thor-

ough investigation, I have conveyed some points of view as to our banks' present profit margin.

* * *

[*English*]

HOUSING

POSSIBLE LEGISLATION TO REDUCE CAPITAL AND LAND COSTS—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Prime Minister. In view of housing prices having risen across the land at an alarming rate in the past year, in my area by $10,000 per home, a 35 per cent increase in 12 months, and in view of predictions currently that they may rise by another 15 per cent in the current year, has the government decided to introduce legislation of a tax nature, or at least to relieve such capital and land cost increases? If so when?

● (1450)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on the question of future legislation, I am afraid the hon. member will have to await any action or announcement in the House. Since he is interested in land costs, I might refresh his mind by recalling that the government has already approved $100 million per year for five years so the provinces can embark upon useful land assembly programs. No province except Newfoundland has decided to act on this. I wish hon. members would urge provincial governments toward more action in this regard.

Some hon. Members: Hear, hear!

SUGGEST ROLL BACK OF INTEREST RATES UNDER NATIONAL HOUSING ACT

Mr. Sinclair Stevens (York-Simcoe): A supplementary question. Since mortgage rates have jumped along with house prices so that a $10,000 increase in the price of a home results in an extra cost to the owner of $27,000 by the time his mortgage is paid in full, and with the prediction that mortgage interest rates may be as high as 10½ per cent or 10¾ per cent by the end of the year, is the government now going to order CMHC to roll back its increase in the NHA mortgage interest rate and, if so, when?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the hon. member is undoubtedly an expert on high interest rates.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Basford: Mr. Speaker, 75 per cent of the CMHC lending is made at rates of 8 per cent which is 3/16 less than the level approved by parliament in June.

Mr. Stevens: Mr. Speaker, I rise on a point of order. I remind the minister that all Canadians are now experts on high interest rates.

Some hon. Members: Hear, hear!

[Mr. Turner (Ottawa-Carleton).]

Mr. Speaker: Order, please. Hon. members appreciate that this kind of intervention is debate. We will proceed with the question period as expeditiously as possible.

[*Translation*]

The hon. member for Shefford wanted to ask a supplementary question a while ago. I apologize for not having immediately recognized him.

* * *

FINANCE

INCREASE IN BANK INTEREST RATES—REQUEST FOR INVESTIGATION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a supplementary question to the Minister of Finance.

Does he intend to let interest rates go up or will he take steps to control that condition which is the prime cause of the cost of living increase at the present time?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we may have the opportunity to deal more extensively with this matter next week.

* * *

[*English*]

NORTHERN AFFAIRS

ARRANGEMENTS TO SUPPLY COMMUNITIES ALONG ARCTIC COAST—GOVERNMENT POSITION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a supplementary question for the Minister of Indian Affairs and Northern Development in connection with the rail strike. Has the minister yet requested assistance or set up contingency arrangements with the Department of Transport to provision isolated northern communities along the Arctic coast whose supplies are initially dependent on transportation over the Pine Point railway?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are now considering the situation and my department is ready to do its utmost to solve the problems of those remote communities as we generally do throughout Canada.

[*English*]

Miss MacDonald: Is the minister prepared to make a report to the House later today as to the situation of these northern communities at the present time?

[*Translation*]

Mr. Chrétien: Mr. Speaker, if there are some particulars to communicate to the House, I will readily do so.

[*English*]

EXTERNAL AFFAIRS

ALLEGED MISTREATMENT OF CREW MEMBERS OF "GREENPEACE III"—PROTEST TO FRANCE—GOVERNMENT POSITION

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of the boarding of the *Greenpeace III* in international waters and the apprehension of the crew and the manhandling of Captain McTaggart, has the government of Canada made any representations or protests directly to the government of France and what was the nature of those protests?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we were informed of this incident by the French government. In response to our responsibility for Mr. McTaggart as a Canadian citizen, we arranged to have an eye doctor sent to Tahiti, as well as a consular official, to ensure that Mr. McTaggart was released as soon as possible, which we were successful in doing. At the same time, the French ambassador in Ottawa was called in and we registered with him a very strong protest about the legality of the boarding. We are now seeking further information as to the nature of the alleged maltreatment of Mr. McTaggart. When we have further information, we will decide what further action is appropriate.

ALLEGED MISTREATMENT OF CREW MEMBERS OF "GREENPEACE III"—POSSIBLE REFERENCE TO UNITED NATIONS OR WORLD COURT

Mr. Mark Rose (Fraser Valley West): I assume the minister and the government are considering the matter of reparations and compensation. I will not deal with that. In view of the seriousness of this incident, involving what has been called piracy on the high seas, is the government considering taking this matter either to the security council of the United Nations or the World Court?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have not ruled out any action. What we want to do, and I am sure that this is what Mr. McTaggart wants us to do, is try to persuade the French government not to engage in nuclear testing in the atmosphere. That was the purpose of Mr. McTaggart's trip which he undertook on his own responsibility. We are very anxious to see that the law of the sea is observed. There is the second question as to whether Mr. McTaggart should be compensated for damage for assault upon him. The French government takes a completeley different view of this incident from Mr. McTaggart. We are now looking at the evidence. If the evidence justifies us taking appropriate legal action, this we will do. I cannot say in what court this would be taken at the present time.

LABOUR RELATIONS

SUGGESTED ESTABLISHMENT OF PUBLIC INTEREST DISPUTES COMMISSION—GOVERNMENT POSITION

Mr. Don Blenkarn (Peel South): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact work stoppages in essential industries and services cause irreparable harm to Canada, is the government prepared to introduce legislation to create a public interest disputes commission, as recommended to it in 1968 by its own Woods Commission report?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have no announcement to make in that regard today.

Mr. Blenkarn: Can the government assure this House it will introduce legislation so that it will never again be necessary for Parliament to be called to settle industrial disputes?

* * *

ENERGY

GASOLINE—BASIS FOR JUSTIFICATION OF INCREASE IN PRICE—REQUEST FOR INVESTIGATION

Mr. Ian Arrol (York East): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In view of the fact that the price of gasoline in Canada has always been higher than the price of gasoline in the United States, even taking into account the difference in the size of the gallon and the current shortage of gas in the United States, on what basis are the recent increases in the price of Canadian gasoline justified?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I expect to be speaking to the industry on price increases in the very near future. I will be glad to report to the House any consequences of those discussions.

Mr. Speaker: Order, please. We are running short of time. I know hon. members are anxious to proceed with the business called for today. Perhaps the hon. member might be recognized for one supplementary.

Mr. Arrol: Is the government considering regulation of the oil companies under the National Energy Board? Is the government planning to investigate increases to determine if the cost increases are real or whether there is collusion? Will the minister's investigation include such points as these?

Mr. Macdonald (Rosedale): Mr. Speaker, I should indicate that an inquiry has been launched under the Combines Investigation Act against the petroleum industry.

Oral Questions

GRAIN

FEED GRAIN—ALLEGED LOSS TO WESTERN PRODUCERS AS RESULT OF LOW PRICE IN EASTERN CANADA

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is for the minister responsible for the Canadian Wheat Board. As a result of the minister's intended feed grains policy, feed grain has been selling in eastern Canada at about $1 a bushel less than in the world market. Does the minister intend to compensate western producers for this loss of revenue which would have been received had the grain been sold at the regular price?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the hon. member must be looking at some strange prices because the policy is not yet in effect. It is expected to be in place by the middle or end of September. The point of the policy is, of course, to ensure that the same price prevails for producers all across the country who want to buy grain for feeding to animals, subject, of course, to proper estimates of the cost of carrying, storing, and so on.

● (1500)

Mr. Korchinski: A supplementary question, Mr. Speaker. Is the minister carrying on a day-to-day investigation into the effects of the Wheat Board pricing policy, and would he inform the House—

Mr. Horner (Crowfoot): Ottawa sold out Saskatchewan.

Mr. Korchinski: —whether there is a reduction in the price of grain in eastern Canada relative to the world price at the present moment?

Mr. Lang: As I made clear a moment ago, no action—

Mr. Horner (Crowfoot): Ottawa sold out Saskatchewan.

Mr. Speaker: Order. Obviously we are not going to make much headway. Perhaps this matter could be proceeded with during another question period. I believe the hon. member for Peace River rises on a point of order.

* * *

BUSINESS OF THE HOUSE

REQUEST FOR STATEMENT

Mr. Baldwin: Mr. Speaker, I want to follow the scenario which a kind member of the press gallery wrote for me and ask the President of the Privy Council what is to be the business of the House for next week.

Mr. MacEachen: I am not in my usual forthcoming Thursday mood, so I think I shall have to wait a little longer before I can indicate with any precision what we shall be doing next week.

An hon. Member: Capital punishment?

Some hon. Members: Oh, oh!

Mr. Baldwin: Because of the unusual nature of the answer, I should like to ask one question in light of the fact the Prime Minister has hinted at a number of proposals to deal with the serious issue of inflation. Is it the intention of the government to put all these proposals into one package and try to secure from the House a renewal of the confidence which it gained last January but which has since lapsed?

[Mr. Macdonald (Rosedale).]

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Pursuant to the special order made earlier this day, the sitting of the House stands deferred until the call of the bell at 5.05 p.m.

SITTING SUSPENDED

At 3.05 p.m. the sitting was suspended.

SITTING RESUMED

The House resumed at 5.05 p.m.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to indicate that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Edmonton-Strathcona (Mr. Roche)—Government Administration—Suggested moving of some services to Alberta; the hon. member for Saskatoon-Biggar (Mr. Gleave)—Agriculture—Feed grains—Request for announcement of policy; the hon. member for Provencher (Mr. Epp)—Post Office—Re-examination of requirement for establishment of rural routes in western Canada.

GOVERNMENT ORDERS

[*English*]

MAINTENANCE OF RAILWAY OPERATIONS ACT, 1973

MEASURE TO PROVIDE FOR RESUMPTION OF OPERATIONS AND SETTLEMENT OF DISPUTES

Mr. Speaker: Pursuant to special order made earlier today, Mr. Munro (Hamilton East), seconded by Mr. Davis (Capilano), moves:

That Bill C-217, an act to provide for the resumption and continuance of operations of railways and for the settlement of the disputes with respect to terms and conditions of employment between railway companies and their employees, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, as members of this House, I am sure, are well aware,

the bill which is now before them concerns the government's legislative proposals respecting the resumption of rail services. The reasons for these proposals are, I believe, equally well known. The suspension of railway operations and subsidiary services which began regionally on July 26 and nationally on August 23 has resulted in widespread economic loss to the extent that the welfare of the nation has become imperilled. As the Prime Minister (Mr. Trudeau) has indicated, it is essential to the interests of the people of Canada and the welfare of our nation that railway operations be resumed immediately.

● (1710)

Before examining these legislative proposals in some detail it would be appropriate for me to outline to hon. members the sequence of events leading up to the recall of parliament. First, however, I would refer to the parties involved in the present, three separate disputes: these are the Canadian National and Canadian Pacific Railway companies along with other short-line companies while, on the union side, the associated non-operating railway unions, the United Transportation Union and division No. 4, Railway Employees, department of AFL-CIO, representing the various shopcraft unions. In all, the disputes involve approximately 91,000 employees across the country.

The current strike involving the non-operating unions stems from unsuccessful attempts to renegotiate a collective agreement that expired on December 31 last. Disputes involving the shopcrafts and the United Transportation Union also result from agreements unrenewed since the same date, but in these disputes no strike action has as yet been taken.

In all cases early mediation assistance was sought, and this my department provided in full measure. With regard to the dispute involving the non-operating unions, failure to negotiate an agreement after intensive mediation led to the appointment of a conciliation board chaired by Mr. Justice F. Craig Munroe of the Supreme Court of British Columbia. The board report, which was released to the parties on July 13, recommended the following wage increases: effective January 1, 1973, 30 cents an hour or 8.5 per cent of the basic rate; effective January 1, 1974, an increase of 5 per cent on the rates in effect as of December, 1973; effective July 1, 1974, an increase of 3 per cent on the rates in effect as of June, 1974.

Subsequently, the union announced its intention to conduct selective strikes. The first such strike occurred on July 26, and others followed in other regions of the country. On August 7, I appointed Judge Alan B. Gold, of Montreal, as mediator and he met with the parties continuously over the next 11 days to try to bring about a settlement. The non-operating unions began their national rail strike on August 23. Since then I made a further effort and, with the assistance of experienced mediators in the department, explored every avenue to find a solution short of recalling parliament.

On August 27, after a complete review of the situation with my officials, I advised the Prime Minister and my colleagues that, in the public interest, parliament be recalled to restore railway service. With regard to the dispute involving the shopcraft unions, a conciliation board was established on June 26, 1973, after the union membership had rejected a negotiated settlement. The board's majority report, which was received on August 13, proposed a wage increase of 8.25 per cent effective January 1, 1973; an increase of 6½ per cent on January 1, 1974, based on wages in effect as of December, 1973; and an increase of 1½ per cent as of July 1, 1974, based on wages in effect in June, 1974.

Two days after the release of the board's report, the president of division No. 4 advised that his negotiating committee, representing 22,000 employees, had rejected the majority report. The shopcraft employees were in a position to strike on August 21 and are presently conducting a strike vote, with the results to be known about September 10. With regard to the dispute involving the United Transportation Union, which represents some 14,000 trainmen, conductors and yardmen, a conciliation board was established on May 29, 1973, chaired by R. A. Gallagher, Q.C., of Winnipeg. The board held hearings in Montreal on July 25, 26 and 27 and the report was received on August 24. The board report contained no recommendation on wages. At present, the general chairmen of the UTU are considering the board report and would be in a legal strike position on September 1.

This brief résumé, while by no means a complete analysis of the events backgrounding the situation facing us today, does, I think, provide some useful perspective. Many are the opinions that can be ventured, many are the criticisms that can be levelled; but at this juncture, to no avail. Suffice to say that this strike has occurred despite the most sustained and painstaking efforts at mediation; that the task now before parliament is to restore rail operations and allied services and to provide a process that can fairly and equitably settle, finally, the terms and conditions of employment of the employees involved for the years 1973 and 1974.

The proposed legislation now before hon. members may be cited as the Maintenance of Railway Operations Act, 1973. Basically, the provisions deal with the three disputes individually. However, there are a number of provisions that are common to all, and with hon. members' consent I will enumerate those major provisions affecting all three groups. Firstly, in so far as the resumption of services is concerned, in this most vital area the act states that every company and every employee shall resume work, or continue work, as the case may be, forthwith upon the coming into force of this legislation. This order invalidates and overrides any prior authorization that may have been given to take strike action. The act also forbids any railway company personnel to refuse to permit any striking employee from resuming work duties forthwith. Further, no such striking employee may in any way be disciplined for having been on strike.

Secondly, the act provides for the extension of all collective agreements pertaining to the three groups, with certain important amendments to the agreements which I will explain in a moment. In all cases, the extension will be from January 1, 1973, to the day on which any new collective agreements come into effect, or December 31, 1974, whichever is the earlier. This extension, and the amendments, are binding.

Thirdly, the act orders all railway companies and unions involved to resume negotiations forthwith with a view to settling matters presently in dispute. It further orders that they negotiate in good faith and make every reasonable effort to conclude a new settlement. Any new settlement, it should be noted, can in no event expire before December 31, 1974.

Fourthly, the act empowers me, as minister, to appoint mediators in the reopened negotiations. In addition, the governor in council may, on my recommendation, appoint an arbitrator whether or not a mediator has been appointed.

These four areas that I have mentioned are common to all three groups. I will now deal with those provisions that affect the groups individually. First may I deal with the non-operating employees. The amendments to the non-operating employees contract are as follows, as set out in this bill: an increase of 30 cents per hour effective January 1, 1973; an increase of 5 per cent effective January 1, 1974; and an increase of 3 per cent effective July 1, 1974. In each case the increase refers to each hourly basic rate of wages. It will be quickly realized, I am sure, that these increases are those recommended by the chairman of the conciliation board.

• (1720)

Shopcraft employees are the next group. The amendments to the shopcraft employees contract are as follows, and are identical with those recommended by the report of the conciliation board: an increase of 8¼ per cent effective January 1, 1973; an increase of 6½ per cent effective January 1, 1974; an increase of 1½ per cent effective July 1, 1974. In each case the increase refers to each hourly basic rate of wages.

The third group is the railway operating employees. The amendments to the railway operating employees contract are as follows: an increase of 8¼ per cent effective January 1, 1973; an increase of 6½ per cent effective January 1, 1974; and an increase of 1½ per cent effective July 1, 1974. In each case the increase refers to each hourly basic rate of wages or mileage basic rate. I should emphasize that the wage increases for all employees involved in the three disputes, which are provided for in this act, are minimal. Any subsequent negotiated wages settlements or decisions reached through arbitration can in no case reflect wage increases which would be lower than those stated in this act.

Now I would like to speak about pension plans. Hon. members are well aware I am sure, of the significance of the question of pensions and their costs throughout the negotiations. I understand that a number of members of all parties have received representations on this subject. Agreement with all unions bargaining with the railway companies on the matter of pension benefits was reached on March 16. It should be emphasized that pension gains made by all the unions acting in unison are a major accomplishment in the history of railway negotiations.

However, there has been some controversy concerning the railways' cost estimates of such benefits, estimates which are alleged to be exaggerated. I have come to the conclusion that harmony will not prevail among railway employees unless this cost question is aired and answered by an independent inquiry. Consequently, I have appointed an industrial inquiry commission, pursuant to part V of the Canada Labour Code, to estimate the cost of the negotiated settlement relating to pensions and comment on any differences between its cost estimate and that of the railway companies. I might add that today I appointed John Deutsch to be the industrial inquiry commissioner to conduct this inquiry.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): In making any recommendation to the governor in council regarding the whole matter of an arbitrator, to which I have referred, I intend to recommend that in addition to the matters that would be referred to him he should consider the results of the inquiry into pension costing that I have previously mentioned. This important proviso will, I am sure, meet with the fullest approval of the employee unions concerned in these disputes.

It is obvious, I think, to all members that the question of job security, which is of grave concern to all rail workers, is one of those items that would be considered during the mediation process, or by arbitration. I think this should be underlined and noted by the employees and the unions concerned.

Before attempting to answer any questions there may be concerning the legislation that I have outlined, I should like to respectfully reiterate a statement made by the Prime Minister when he announced the recall of parliament on August 27. He said:

> In recalling parliament our first priority will be the immediate restoration of rail service throughout Canada. I also want to assure the railway unions and managements that the government will continue to respect their interests.

I am satisfied that both these priorities will be achieved by the legislative proposals and the inquiry commission whose appointment I have just announced. I might add, in terms of some of the concern that has been expressed by the workers with reference to the cost of living, that the increases now being implemented—and of course this will involve retroactive payments to all those concerned back to January 1 of this year—can be taken into account by any arbitrator who might be appointed with reference to this dispute.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): I am also confident that the Maintenance of Railway Operations Act, 1973, will serve to protect all Canadians and the Canadian economy as a whole from further serious suffering. I hope, therefore, that the intent of this legislation will serve well the workers involved and the country as a whole.

Some hon. Members: Hear, hear!

Mr. James A. McGrath (St. John's East): Mr. Speaker, we meet here today on the seventh anniversary of the last occasion when parliament was recalled to deal with a national rail strike. The legislation now before the House is in many ways similar to the bill that was introduced on August 29, 1966. This is the third time in less than 25 years that parliament has been called upon to take this kind of

extraordinary action. There are some striking coincidences that should be noted for the record. First of all, as I have said, it is seven years to the day since the previous bill of this kind was introduced. Second, the chairman of the conciliation board in the present dispute is the same Judge Munroe who presided over the conciliation board in the 1966 dispute; and I might say, for the trained gentlemen opposite, that we have the same Liberal government in power.

Some hon. Members: Hear, hear!

Mr. McGrath: There is no doubt in anyone's mind that inflation, which is currently running at an all-time high of 8 per cent, and the failure of this government to successfully tackle it is the cause of so much labour unrest in this country at present. Mr. Speaker, my leader has put forward a position on inflation on a number of occasions both inside and outside this House. We advocated, back in February, an immediate 90-day freeze across the board on all prices, wages, incomes and dividends. We all know how the situation has deteriorated since that time; it has deteriorated to the extent that the February 19 budget of the Minister of Finance (Mr. Turner) is today a shambles.

● (1730)

Some hon. Members: Hear, hear!

Mr. McGrath: The consumer price index for the month of July recorded an annual increase of 14.7 per cent in food prices, the highest such rise since World War II. Mr. Speaker, since contract talks first commenced between the railways and the non-operating unions back on November 1 last, inflation has already robbed railway workers of 3.5 per cent as reflected by a 3.55 per cent increase in the cost of living for the first five months of 1973.

An hon. Member: You are slipping.

Mr. McGrath: You are slipping; and you are the one who needs help, my friend.

Some hon. Members: Hear, hear!

Mr. McGrath: It is interesting, Mr. Speaker, to see what the hon. member for York South (Mr. Lewis), the leader of the New Democratic Party, said during the course of debate on the 1966 bill. His remarks can be found at page 7847 of *Hansard* for that year. They are relevant to the present debate and are as follows:

> What we are really suffering from in Canada, I suggest, is not fearful inflation in the economists' sense. What we are suffering from at this time is an increase in the cost of living for ordinary people, an increase in food prices, in rents, and in this kind of thing. These increases are due to the reasons that my leader, the hon. member for Burnaby-Coquitlam (Mr. Douglas) gave. They are due to administered prices; to increased mark-ups by the chain stores, and to profiteering of a kind which should not take place. This government and this parliament ought soon to do something about it.

Mr. Speaker, the hon. gentleman who made that speech back in 1966 now wields a big stick in this House; he now holds the balance of power in this parliament, and therefore he must share the blame with the government for the mess that we are in.

Some hon. Members: Hear, hear!

Mr. McGrath: I suspect that for him and his colleagues it is too late because, as my friend the hon. member for Peace River (Mr. Baldwin) said so eloquently, the hon. member for York South keeps huffing and puffing but never brings the House down.

Some hon. Members: Hear, hear!

Mr. McGrath: We are about to pass a law—and this is a very serious matter—that will in effect take away the right that is presently written into our laws, the right of these unions to strike. What we are saying to these men and women is, "We realize you have a legitimate grievance, but the national interest demands that you must accept the wage offer contained in this bill. Accept it as a floor"—I emphasize, as a floor, and only as a floor—"for further negotiations so that you can get back to the negotiating table and work out a fair and just settlement to this dispute." We are not here to settle this dispute, Mr. Speaker. That is not our role; that is the role for the conciliators and the mediators.

Some hon. Members: Hear, hear!

Mr. McGrath: We are here, Mr. Speaker, because there is in this country a national rail strike, and this legislation is necessary in order that the trains of this country can start moving again. In the meantime, we are aware of the fact that inflation, if it is allowed to continue unchecked by this government, will continue to erode the value of every dollar earned, while food prices continue to soar. The cost of shelter has risen to the point where only those in the higher income brackets can afford to buy a house.

It is easy for us to forget, as we talk in terms of percentages and millions of dollars, that it is human beings that are involved here—men and women and families. Mr. Speaker, they have to pay the same inflated price as you and I have to pay for a loaf of bread, and the same inflated price for a pound of bacon. There is no doubt in my mind that railway workers have fallen considerably behind because they are an essential service and hence for them the right to strike, as their leaders have said, is only a theoretical right.

We have, therefore, a very special responsibility to the men and women of these unions. This is the message that we wish to get across to those who will be charged with the responsibility under this bill of bringing about a fair and just settlement to this dispute in the weeks and months subsequent to the passage of this bill. That is the message, that is the mandate we give them as they resume negotiations in this dispute.

As I have already said, Mr. Speaker, this is the third time since 1950 that we have had to legislate the railway unions back to work. It will be, therefore, painfully obvious that this bill is merely another band-aid. We really solve nothing by this bill; the problems of the railway workers—inflation, job security, collective bargaining and the right to strike—will still be with us.

Mr. Guay (St. Boniface): You can do better than that.

Mr. McGrath: Mr. Speaker, I do not expect the hon. member for St. Boniface (Mr. Guay) to understand that,

and I do not expect him or his colleagues to provide the kind of leadership that this country needs.

Some hon. Members: Hear, hear!

Mr. McGrath: I note that the Minister of Transport (Mr. Marchand) laughs, Mr. Speaker. Well, he should laugh because he is one of those who is responsible for the dispute taking place this very day.

Some hon. Members: Hear, hear!

Mr. McGrath: In his intemperate outburst at a very critical stage of these negotiations he said there would be a freeze on freight rates, and this caused the railways to take a hard line.

Some hon. Members: Hear, hear!

Mr. McGrath: This government, Mr. Speaker, in spite of repeated requests from the House, continues to ignore the recommendations of the Woods committee report which was presented to them in December, 1968. They ignored the major recommendations of that report, recommendations which addressed themselves to the problems I have outlined for negotiating strikes in essential services.

Our party has put forward a proposal based on many of the recommendations contained in the Woods report. We have said we would establish an essential services disputes commission which would define essential services and prescribe the procedure for settling disputes within these essential services. Accordingly, our party endorsed the recommendations made to the government back in December, 1968, in the Woods committee report for the establishment of a public interest disputes commission. This commission would advise whether particular services are essential, set out procedures for resolving differences where the public interest is threatened and, where it is unsuccessful, would report to the government for possible parliamentary action to end a strike or lockout. That is the kind of leadership this country needs.

● (1740)

There can be no doubt that the present rail strike constitutes a national crisis. We meet in an air of crisis. Neither can we doubt the fact that this government had ample warning. It knew this strike was coming, but did nothing about it. As a result, grain shipments have been stopped: this could have long-term, serious consequences to our wheat markets and to the economy of western Canada. Beef and produce are rotting on rail sidings. Ferry services to our two island provinces have been disrupted, stranding thousands of tourists in Prince Edward Island, Newfoundland and Nova Scotia.

What is even more important, serious food shortages are developing in many parts of the country. This is especially true in my own province, Newfoundland, which depends on the railways for most of its food, which has to be imported from the mainland. It is clear, certainly, to the government of my province and to the government of Prince Edward Island that the federal government has constitutional responsibilities to ensure that vital ferry services to those provinces are maintained.

Some hon. Members: Hear, hear!

[Mr. McGrath.]

Mr. McGrath: Mr. Speaker, the government had ample warning. The question is: Why did they not act? What are the facts? They are as follows: negotiations for a new contract began on November 1, 1972. The government knew that the contract was expiring, or would expire at the end of that year. On December 21, 1972, federal mediation was required. On February 16 those negotiations collapsed and the assistant deputy minister of labour was called in.

On March 17 the minister was requested to establish a conciliation board, and the board was set up on May 16, 1973. Early in July the reports of the conciliation board were officially submitted to the minister. At this point I submit the minister should have intervened personally, but he did not. Instead, the government adjourned parliament, knowing full well that there was little or no hope for a negotiated settlement without government and parliamentary intervention. So we end up with a costly rail strike. Finally, on August 7, the minister appointed Judge Alan Gold of Montreal as federal mediator. Why did the minister not intervene? When he intervened, it was too late. When the minister finally decided to intervene, we were not witnessing rotating or selective strikes; we were witnessing a full-blown, national railway strike—and then it was too late.

We were all witnessess to the minister's performance. We all saw on television the charade and theatrics played by the minister in the hours leading up to the Prime Minister's announcement last Monday. There he was, with his collar open, running from car to car and from hotel to hotel, trying to make us believe that he was trying to bring about a settlement of this dispute when he knew that no such settlement at that point in time was possible. Just last night the Parliamentary Secretary to the Minister of Labour (Mr. Turner) was quoted on the CBC national news as having said that the railways did not negotiate in good faith; they held firm, knowing that the government would have to intervene.

An hon. Member: Right.

Mr. McGrath: He was dead on. He must be right, because the hon. gentleman is himself a former trainman, now Parliamentary Secretary to the Minister of Labour, and hence must have inside knowledge.

Certainly, Mr. Speaker, the railways did not bargain in good faith; that is a fact. Whatever else can be said about the railways, this can be said of them: they had their hands tied by the Minister of Transport and his intemperate outburst in western Canada. I say that the railways have a lot to answer for in this whole affair. Parliament has been denied, by this government, the traditional right to examine the Canadian National annual report in committee. That right has been denied to the members of this House for the past two years. What does the government and the railway have to hide? For the past two years we have been denied the right to a full examination of the budget and finances relating to the CNR and, as a consequence, no auditors have been appointed.

How can the government expect parliament to vote on the matter of wage increases when the financial position of the CNR, a Crown corporation, is unknown? Whatever can be said for Canadian Pacific—and I understand that

the CN usually falls into line with their thinking—there is no doubt in anybody's mind that we have a right and, indeed, a responsibility to have the management of this Crown corporation come before a committee of parliament and give a full accounting to the representatives of the people. If the CN annual report for the current year had been referred to a committee of this House, in keeping with past customs and practices, and if we had been given full and ample opportunity to examine in detail the CN financing bill, as we are entitled to do, we would have been in a much better position today to assess properly the attitude taken by the major employers, the CPR and CNR, in this dispute.

According to the evidence that is available, the railway companies are not too badly off. We understand that gross revenue for the CPR is up considerably. We know that the railways have had a good year. Last year, CN's profit was up to $48.3 million, their best year ever. Based on an average hourly wage of $3.64, a 10 per cent increase to all three union groups—that is, the non-ops, the shopcrafts and the trainmen—representing a total of 90,000 workers would cost a minimum of $68.1 million per year. That may seem like a lot, but when you think in terms of a gross revenue of $1,405.8 million for CN in 1972, that is not so much after all. Only then can one get a much truer perspective. We can better appreciate the human problems involved if we bring those figures down to human terms and think of the difference that an increase from $3 to $3.30 per hour will make to a man with a family, to a man who is bringing home the food, or bringing home the bacon as we say in Newfoundland. Of course, he cannot afford bacon today. Nevertheless, that is the issue. That is what this government fails to understand, because it is a government without heart.

Finally, it is unfortunate that this legislation will also cover the shopcrafts and trainmen, even though they have not exhausted the full process of the existing law with regard to a strike vote and final mediation attempts. Though the shopcrafts were much better off than their brothers in the non-ops, they had not had a change in their base rate for many years; and while they have rejected the report of the conciliation board, they have not yet taken their strike vote. Consequently, I am not too proud about what we are doing with respect to the shopcrafts union in this bill.

The United Transportation Union, or the trainmen, are faced with railway company demands to reduce train crews. The Parliamentary Secretary to the Minister of Labour knows what that means. If the railway companies get their way, it will mean a reduction in the work force of some 2,000 men. More important, Sir, this will create very serious operating hazards, and the hon. member for London East who is Parliamentary Secretary to the Minister of Labour knows this full well.

We need new ways of resolving disputes which arise within federal jurisdiction. There is no doubt in my mind that public interest sectors under federal jurisdiction, such as the railways, have not kept pace with all other aspects of society. They have not kept pace with their fellow workers because they are, by the very nature of their work, classed as essential. They know full well that if they resort to the ultimate protection the law affords them—that is, the right to strike—parliament will be recalled and they will be legislated back to work. As a consequence, they have fallen behind. We must start to find new ways to improve the bargaining process in industries under federal jurisdiction. By example, through that bargaining process throughout the country, we must find ways to make certain that bargaining takes place well in advance of the expiry date of a contract.

• (1750)

Some hon. Members: Hear, hear!

Mr. McGrath: In fact, one can almost make a good case for saying that negotiations should continue throughout the duration of a contract. At present there are too many advantages for both the union and the employer in delaying talks until the last minute. The eventual victim is the one body that does not have the right to strike—the consumers, the general public of this country.

Some hon. Members: Hear, hear!

Mr. McGrath: We will move amendments when we arrive at the committee stage of the bill. We were going to put forward an amendment dealing with the differences of the two parties with regard to the administration of the pension plan. We would have much preferred the minister to insert a clause in the bill to ensure that this kind of independent, outside adjudication takes place. Nevertheless, he has announced the appointment of a well respected gentleman who will adjudicate this area of the dispute.

We will be moving amendments at the committee stage with regard to the time limit allowed for the various stages of the bargaining process, with a requirement that any settlement—this is the keystone of our policy—shall take into account the rise in the cost of living since the minister received the respective conciliation reports earlier this year.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, I wonder whether hon. members would permit me to call it six o'clock.

Some hon. Members: Agreed.

Mr. Bell: Mr. Speaker, we would, of course, agree to that, but we do have to get on with the legislation this evening.

Mr. Lewis: If there is an objection, I can use up the five minutes remaining before six o'clock; but it would be much better if my speech was not interrupted.

Mr. Speaker: We obviously require unanimous consent if we are to rise now.

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Speaker: I heard one "no". That is sufficient.

Mr. Lewis: Let us not use up the time in getting consent. I have some useful things to say about the bill before us

and perhaps I could get rid of a few matters with which I have to deal.

I do not know whether some of the political non-sequiturs in which the hon. member for St. John's East (Mr. McGrath) indulged require a reply. However, members of this House, and the unions concerned in this dispute and disputes that might occur in other areas of essential services, ought to know that the hon. member for St. John's East, speaking on behalf of his party, castigated the Liberals for having had to end strikes and send people back to work on three occasions in 25 years; it was necessary for parliament to be reconvened to do that. He ended that part of his speech by outlining the policy which he proposed. The policy terminated in a proposition that on every occasion, not three times in 25 years but regularly and permanently, there be advice to the government to take parliamentary action.

Some hon. Members: Hear, hear!

Some hon. Members: No, no!

Mr. Lewis: *Hansard* will show tomorrow that those were the precise words used by the hon. member. He said this new body should find new ways of negotiating. Following that, he said there would be advice to the government to take parliamentary action to end any strike or lockout that may occur. That will be shown in *Hansard* tomorrow. All through this dispute the Conservatives have talked, not through both sides of their mouth but they have managed to have six sides to their mouth.

Some hon. Members: Hear, hear!

Mr. Lewis: They have talked through every side of their sexagonal mouth. I do not agree with what they say, but one should make an honest argument. They do not have the courage to make an honest argument and say they are against strikes in the public service and essential services; that they propose some form of ending any right to strike in the public service. That is what they mean, but they do not have the guts to say it.

Some hon. Members: Hear, hear!

Mr. Lewis: Without stretching, Mr. Speaker, may I now call it six o'clock.

Mr. Speaker: It being six o'clock, I do now leave the chair until eight p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Lewis: Mr. Speaker, I do not intend to spend any more time on things which may have been said by spokesmen for the official opposition. Our appeal is to the government as well as to the members of the official opposition with respect to the bill which is now before us.

My hon. friends and I agree, of course, that a national rail strike causes extreme hardship in many sections of the country and that it is very deleterious to the economy as a whole. We, of course, agree that parliament has a duty to the people of Canada and to the public interest, and that there comes a point in a strike such as a national railway strike at which members of parliament must take the responsibility of making certain that rail operations are resumed so that the harm, the difficulties, the hardship caused by the strike are ended.

To say this, however, is to accept only half of our responsibility as members of parliament—only half of the responsibility of parliament and of the government of Canada. It is not enough for us to say to more than 90,000 Canadians that their normal democratic rights are to be taken away, and to order them to go back to work on the basis of a settlement such as is contained in the bill before us, a settlement which is clearly inadequate and unjust.

Some hon. Members: Hear, hear!

Mr. Lewis: Therefore, in spite of our anxiety, which is as great as that felt by members in any quarter of the House, to see the rail strike come to an end, we cannot accept the bill as introduced by the Minister of Labour (Mr. Munro). It was suggested by the minister in his speech that the wage settlements proposed in the bill were minima. As a matter of fact, I suppose it was a slip of the tongue; he said they were minimal. He was right; they are minimal. But the word in the written version of the speech was "minima". The rest would be done by somebody else, by a mediator or an arbitrator. It was suggested by another speaker this afternoon that parliament would not negotiate an agreement, that this must be left to someone else. I think we should face the truth and acknowledge that this is precisely what parliament is doing; what we are doing is making amendments to the collective agreement of the railway employees involved.

There is provision in the bill for some things to be decided elsewhere, but we all know what will happen. I say to the minister that the proposal for further mediation which the bill contains is, to put it mildly, fatuous. Negotiations have gone on for nine months. There have been four mediators—Mr. Gibbons, Mr. Kelly from the minister's department, Judge Gold, and the minister himself. What more could be done by way of mediation? I say to the minister, because I have some experience in these matters, that once this bill passes and the men and women are ordered back to work—assuming for the moment that they obey the order—all the pressure on the companies, all the pressure on the mediator or arbitrator is gone. Perhaps after that some improvements will be made here and there, but no real justice will be forthcoming for the workers involved.

The minister said the wage proposal contained in the bill is the one suggested or recommended by the board. I am sure he knew this was a mistake. It was not recommended by the board, because there was no board report. It was a settlement proposed by the chairman of the board, Mr. Justice Munroe of the Supreme Court of British Columbia. What is more significant is that the proposal which the minister's bill contains represents the latest offer of the railway companies, the one they made just two days ago when they said they were prepared to accept the Munroe recommendation. So what the government is

asking parliament to do is to order the men and women now on strike, and those who contemplate going on strike, to accept the latest railway offer. If that is not serving the railways, I do not know what is.

Some hon. Members: Hear, hear!

Mr. Lewis: Other members of the House have already heard this and I am very sorry to have to put it on record in *Hansard* because, like every other member of the House, I regret any determination by any citizen of Canada or by any group of citizens of this country to refuse to obey the law. But it is a fact that the general conference of the non-ops met this afternoon, 60 of them, including the whole negotiating committee, and they have made public by now or are about to make public—I do not know the timing—a decision, taken unanimously, that they, and I quote, "will refuse to order our members back to work on the basis of the legislation as it has been introduced". If I have ever known a group of men who have been responsible and law-abiding and do not easily take steps of this sort—and I have had years of experience—it has been the leadership of the railway unions in this country.

● (2010)

Some hon. Members: Hear, hear!

Mr. Lewis: Indeed, they have been so careful in their behaviour that they have unfortunately lost a great deal of the confidence of many of their members across the country; and that, too, I regret very much. I merely say that this parliament should not yield to threats of this sort or of any other sort, but the fact that responsible, law-abiding men who have always acted responsibly are forced by circumstances and a situation within their membership to make this kind of decision should cause the Minister of Labour, the Prime Minister (Mr. Trudeau), all the members of the government and all members of parliament to open their minds and to see that the bill which has been put before us is simply inadequate and ought not to be shoved down the throats of responsible Canadian citizens.

Some hon. Members: Hear, hear!

Mr. Lewis: There are seldom real negotiations between the railways and employees' organizations. Someone mentioned the fact that there have been three parliamentary actions in the last 23 or 25 years. That is true. None the less, I think we ought to recognize that while there was a strike and parliamentary action in 1950, there were settlements in 1952, 1954, 1956, 1958, 1960, 1962 and 1964, and it was not until 1966 that there was another disruption. Let us not say that the situation has been awful over the years, because both sides have behaved very well since 1966 when there were two negotiated settlements before the difficulties which have occurred at this time.

The reason for the difficulties are twofold. I am grateful to the hon. member for St. John's East who quoted words I uttered in 1966. I did not bother to look up my words of wisdom, as I often find when I look at them seven years later that they sound a great deal less wise than when I first uttered them. Of course that was the situation in 1966, and that is still the situation today; the rising cost of living and the non-action of the government to deal with it in some effective way has added fuel to the negotiating fires. The fact is that the railway employees have fallen behind lamentably. They have validated their case by facts which have not been controverted except by misstatements by the railways, to which I may come if I have time.

As of January 1, 1972, I think all of the employees covered by this bill, certainly the non-ops, received an increase of 7 per cent in their wages. The increase in the cost of living from January, 1972, to July, 1973, has been 10 per cent. They are now 3 per cent behind the position they held when they got their last increase on January 1, 1972. They are already 3 per cent behind. I suggest to the minister that the roughly 8 per cent he proposes for the first year of the agreement, which is an increase of 30 cents an hour, will do no more for those employees than cover the likely increase in the cost of living in 1973—if it does that. I suggest the increase in the cost of living for this year will be between 7 per cent and 8 per cent, or higher.

What the minister is asking the employees to do is to kindly go back to work on the basis of the wage arrangement in this bill which takes them not one step forward but leaves them in exactly the same position they were in nine months ago.

Some hon. Members: Shame!

Mr. Lewis: I ask hon. members whether any one of them would accept that kind of settlement at the end of a strike. And let me remind hon. members that some of the employees on strike have been out for weeks and have not received a single, solitary cent in strike benefit or strike pay. They have lived out these weeks on whatever little money they received before, or more likely have gone into debt.

The media have said that the proposal for the second year is 8 per cent. It is nothing of the sort. It is only 5 per cent for the first six months, and 8 per cent for only the second six months of next year. If you average that out, what is proposed in the bill is an increase for 1974 of 6.5 per cent. I suggest that in all likelihood the suggested increase will not even come close to covering the increase in the cost of living if the international situation remains the same.

I say, on behalf of my colleagues and myself, that we simply cannot accept this kind of injustice to the people concerned. I am entirely in favour of action by this parliament to end the strike, but on behalf of my party I demand that the action be just, not only to the Canadian community as a whole but also to the employees of the railways.

Some hon. Members: Hear, hear!

Mr. Lewis: That means the bill ought to give the employees, as a floor, what is recommended in the Weldon report, namely 38 cents for the first year, or 10.8 per cent on the $3.54 average wage rate for the group of non-operating employees dealt with in the first part of the bill. Even if that is done, this parliament will have given the non-operating employees only about 3 per cent above the point of equalizing purchasing power as it was nine months ago. All we would give them, by the 10.8 per cent, is about 3 per

cent more than the amount they require to catch up to the increase in the cost of living.

Whether you take general productivity in Canada, which is on average more than 3 per cent per year, or the increased productivity of the railways, which is over 6 per cent per year, surely these men and women are entitled to a 3 per cent cushion above the amount they require to meet the increased cost of living.

Some hon. Members: Hear, hear!

Mr. Lewis: I have had many occasions to participate in debates in respect of railway disputes. When I was able to practise law, before I was elected to parliament, I acted for the employees in various capacities, but when I was elected to parliament I felt there might easily be a conflict of interest if I continued to do so. During those years from 1952 to 1962, the area of comparability used related to the durable goods industry and there was an average developed between employees in the durable goods industry and non-operating employees so far as wages are concerned.

Let us consider the situation in respect of the traditional non-operating employee group, including not only those now covered by the first part of the bill but also those covered by the second part, namely the shopcrafts employees. I do not want to be technical about it, but I merely want to point out that in June, 1973, the average hourly earnings of durable goods industry employees was $4.17. The average rate of earnings of the non-ops in the first part of this bill is $3.64, or a difference of 53 cents between the two. Even if you take the traditional non-ops, in other words take the employees in the first part of the bill, together with the employees covered in part II of the bill, the shopcrafts, you have a difference of about 37 cents between the durable goods average rate of earnings and the non-ops average rate of earnings. Even on that basis of comparison, which is no longer valid in my opinion, the offer in this bill is just not enough and is unjust. It seems to me we cannot accept it.

● (2020)

There is just no question about the ability of the railways to pay. The hon. member for St. John's East dealt mostly with the CNR.

An hon. Member: I wonder why?

Mr. Lewis: One of my colleagues says he wonders why. I think the most important company to deal with is the Canadian Pacific Railway. We built that railway. It was built with millions of dollars donated from the public treasury, and with millions of acres of land donated right across this country.

Some hon. Members: Hear, hear!

Mr. Lewis: Indeed, years ago I heard that a high school teacher in one of his classes, when teaching Canadian government and the Canadian constitution, after he had finished asked a question. He was speaking to a high school class in Calgary. He said to the students, if they looked out of the window and saw a buffalo coming down the middle of the street, could they tell him whether it would come under municipal, federal or provincial jurisdiction. A voice from the back of the class said it would come under CPR jurisdiction.

We built the CPR on the basis of the millions of dollars and millions of acres given by the people of this country. That company has built an immense economic empire without any risk. In 1972 the CPR increased its profits over 1971 by 27 per cent. In the first half of 1973 it increased its profits by 53 per cent over the first half of 1972. This is the company which we say ought to have the advantage of this parliament sending its employees back to work on the basis of this inadequate settlement. I say no.

The fact is that this poverty-stricken company received in subsidies, in 1972, more than it paid in taxes in 1972. It received in subsidies $30,367,000. That is the rail operation. I am not talking about the various gifts given by the Department of Industry, Trade and Commerce to Cominco and other subsidiaries. The CPR rail operation received subsidies amounting to $30,367,000 in 1972, and indicated in its 1972 annual report a tax liability of $30,200,000.

The fact is that out of that there is a deferred tax of $1½ million, so that in 1972 this poverty-stricken railway company received about $2 million more out of the public treasury than it put into it in taxes. Yet we are told that this company is entitled to some consideration by this government and by this parliament. This corporate welfare bum had, as of December, 1972, deferred taxes totalling $143½ million. Those are taxes from the people of Canada, and that is an interest-free loan to the CPR. It is no wonder I have always had the view that the Canadian Pacific Railway should be nationalized and that we would take a big step forward if we did that very shortly.

There is no validity in any argument by the railways that they do not have the ability to pay any legitimate and just increase to which the employees are entitled. I want to make it very clear that I do not agree with the statement made by the hon. member for St. John's East (Mr. McGrath) that the Minister of Transport (Mr. Marchand) made an intemperate statement in Calgary, that there would be a freeze on freight rates for 18 months. He did not impose it, but said to the railways that there should be such a freeze. I would ask the hon. member who spoke previously to ask the Conservative Premier of Alberta whether he would agree that the Minister of Transport was wrong.

The railway companies, particularly if you take their entire empires, are well able to pay a decent wage to their employees. I say that this House ought not to pass any legislation that does not give them a decent wage and makes at least some advance. However, the Minister of Labour did not bring in a bill which even covers Mr. Justice Munroe's recommendation. It covers only the matter of wages. Mr. Justice Munroe made recommendations with regard to job security, which is of great importance to the non-ops in particular.

What hon. members and what the people of Canada, if I may say so without presumption, ought to realize is that the work force of the railways in Canada has been cut in half in the last 20 years. It has gone down by 37 per cent in the last 15 years. The work done by the railways, with half the force they had 20 years ago, is two or three times as great as the work done 20 years ago. With half the work

force, and therefore having to pay relatively half the wage bill they had to pay 20 years ago, their productivity is two or three times as high as it was 20 years ago. I simply ask, are not the employees of the railways entitled to part of that productivity increase? This productivity increase was created not only by additional capital, although that played a part, and not only by the capital to buy new equipment, although that played a part; it was also created by the employees of the railways doing their work in a better or newer fashion, in a better trained fashion. They made some contribution to the increased productivity of the railways; and I ask the members of this House, are they not entitled to part of that productivity increase?

The Weldon recommendation would give them no more than about 3 per cent above the increase in the cost of living. Surely they are entitled to part of the productivity increase of more than 6 per cent which annually has taken place on the railways. There are some other details with which some of my colleagues will deal. The Weldon formula suggests that if we are to do justice to the people concerned, we should have a more stringent guarantee that everyone will be employed if this strike ends and when it ends, and that there will not be the usual days of delay before some people are called back.

● (2030)

As a matter of fact, in the case of the shopcraft workers and members of the UTU, the bill does not provide any job security when the strike ends except for those who are on strike, and since none of them has been on strike but many have been laid off because of the non-ops strikes, there is no job security for those who were laid off and did not strike. The bill should contain a provision that the unions have argued for, namely, for job security.

Mr. Speaker, I think I have about six or seven minutes left. Let me take a minute or two to deal with that matter. I have said, and I say again, that in the last 20 years there has been a cut in half of the work force on the railways, and in the last 15 years a cut of 37 per cent. That has meant a reduction of a good many jobs. In 1957 I was involved in the dispute between the firemen and the CPR with regard to firemen on the diesel engines. The firemen were not very happy, but we finally settled the dispute, despite their unhappiness, on the basis that no firemen with more than two or three years service would be laid off—I forget the exact details—and that attrition would take care of the reduction in jobs. It took 10 or 12 years to achieve that, but finally it was adopted.

According to the report of Professor Weldon which gives the details on this, what the unions have asked for and what Dr. Weldon has recommended with regard to job security is that any person with four years' service should not be laid off. The unions have referred to two years' service; Dr. Weldon proposes this with regard to four years' service. Anyone with four years' service or more should not be laid off by the railway companies, and attrition will take care of the reduction in jobs. In this the unions have taken a step far in advance of any they have taken before. The unions, as well as Dr. Weldon, propose that if a job becomes redundant, the employee who has over four years' service should be given an opportunity to relocate, to retrain, to take another job in some other locality, and if he refuses the railways will be free to terminate his employment. This was a proposal they made to avoid any suggestion of featherbedding or make-work arrangements. I see no reason why this bill should not provide for job security.

Some hon. Members: Hear, hear!

Mr. Lewis: According to the Weldon report—I have known Dr. Weldon for many years and I am certain he would not state anything the factual accuracy of which he was not convinced about—30 per cent of the employees in the non-ops group, and here I am referring only to the non-ops group on the railways, have less than four years' service, and there has been a rate of attrition every year of about 4 or 5 per cent through ordinary resignations and deaths. So, as it were, the railways have a 35 per cent cushion in dealing with job security for the remaining 65 per cent of their employees who have had more than four years' service. It is obviously an ample cushion, and it would not cost the railways a penny to provide this job security.

I say to you, Mr. Speaker, to the minister, to the Prime Minister and to members of the government that in my discussions with the non-operating employee leaders—and I have had many of them over the last few days, and indeed few weeks—the fact has been underlined that job security is a very important issue for the people concerned. In fact, it is of great importance to everyone in this rather uncertain and difficult world.

Despite what I have said about our anxiety to see resumed rail and other operations related to the railways, I must say to you, Sir, that we cannot support the bill as presently presented to this parliament.

Some hon. Members: Hear, hear!

Mr. Lewis: I know that there are thousands of people across this country, perhaps tens of thousands, perhaps hundreds of thousands, who are anxious for this strike to end, and I am as anxious as they are. But I would misread my fellow Canadians—

An hon. Member: Hear, hear!

Mr. Lewis: —were I to think that anyone would suggest that the Canadian people are ready to force the railway workers back to work without a just law. I was very pleased this afternoon to hear the hon. member for St. John's East say, if I heard him correctly, and I think I did, that he thought the railways—I am not quoting him but this is what I understood him to say—could easily give a 10 per cent wage increase to their employees. I was glad to hear him say that. I want to inform him and other members of his party, as well as other members of the House, that when we are in the standing committee or in committee of the whole House—it is not clear at first how this bill will be dealt with—we shall move an amendment to increase the wage offer in the bill precisely in accord with the Weldon recommendation, which proposes a little over 10 per cent.

I assume—and I say this without in any way wanting to trap anyone—that the statement of the hon. member for St. John's East meant that he would support such a proposal before the House. In order to make clear the

position which my colleagues and I take, I will move an amendment to the second reading motion. I realize, Mr. Speaker, that you may raise some points about it, but I want to place it on record and I hope you will find it in order.

I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That Bill C-217 be not now read a second time, but that it be resolved that in the opinion of this House the government should give consideration to the introduction of a measure to provide Canada's railway workers the wage settlement recommended in the Weldon report, plus provisions for job security, and that there be no submission of work rules to arbitration.

The reason for the last phrase is that so far as the members of the UTU are concerned—the running trade employees involved in this bill—one of their major concerns is the demand by both railways to reduce the crews on freight trains. As hon. members may know, at present at the head of the train there is an engineer and a brakeman, and a conductor and a brakeman in the caboose at the end of the train, and the railways, particularly the CPR, are demanding that this work force be reduced by one so that there would only be an engineer, a conductor and one trainman to run a large freight train. I do not think that is a matter that should go to an arbitrator. This is a technical matter on which the parties concerned should continue their discussions. No one will be hurt if it is not resolved exactly in this year.

In short, I agree that there should be a law sending these people back to work and resuming rail operations, but that law should be just with regard to the workers whose rights are being taken away.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Order, please. I wish to bring to the attention of the House that the hon. member's time has expired, and at the same time the right hon. member for Prince Albert (Mr. Diefenbaker) seeks the permission of the House and of the hon. member to ask a question. Is this agreed?

Some hon. Members: Agreed.

Mr. Diefenbaker: My question to the hon. gentleman is this: If the amendment that he is moving passes the House, will he regard that as a vote of non-confidence in this government?

● (2040)

Mr. Lewis: Mr. Speaker, the answer to the right hon. gentleman, who is a practised cross examiner, is that I will consider that question when his—

Some hon. Members: Oh, oh!

Mr. Alexander: You had your chance.

Mr. Speaker: Order, please! Order, please!

Mr. Lewis: I should have the opportunity to complete my answer, Mr. Speaker. The hon. gentleman of the Conservative Party—you just wait a moment, you smart alecks.

Some hon. Members: Oh, oh!

[Mr. Lewis.]

Mr. Lewis: My answer to the right hon. gentleman is that I will consider that question when his colleagues have the courage to vote for the amendment.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The same old pussy-footing.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please! Order, please! May we have order please?

I am tempted to suggest at this time that the question asked by the right hon. gentleman is hypothetical in that it assumes that the amendment is in order—something about which I have serious doubts.

Some hon. Members: Hear, hear!

Mr. Speaker: I am prepared to make a ruling on the amendment immediately but if hon. members would like to attempt to convince the Chair that the amendment in those words is acceptable I will hear them. However, I must tell hon. members in all honesty that I have very serious reservations about the procedural acceptability of the motion proposed by the hon. member for York South (Mr. Lewis) and I am prepared to rule.

The hon. member for Winnipeg North Centre (Mr. Knowles).

Some hon. Members: Filibuster!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this is not an occasion for a lengthy discourse—

An hon. Member: You are right.

Mr. Knowles (Winnipeg North Centre): —on what is a reasoned amendment, and if Your Honour finds that this amendment is not in order at this stage of our proceedings we shall endeavour to make appropriate amendments when we are in committee on the bill. However, Sir, I should like to quote once again a portion of citation 382 of Beauchesne's Fourth Edition, which reads as follows:

It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill.

Sir, there are a few more lines to citation 382 but they are not relevant, and my not reading them is not a case of leaving out anything that is important. As a matter of fact the same description of a reasoned amendment is found on page 487 of Erskine May's 18th edition, and reads as follows:

It is also competent for a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move what is known as a "reasoned amendment".

Then, after a few words of connection, there are given three headings under which such a reasoned amendment can be moved. The first one is:

(1) It may be declaratory of some principle adverse to, or differing from, the principles, policy or provisions of the bill.

Sir, the amendment moved by my leader, the hon. member for York South (Mr. Lewis), states our opposition to the bill. There is nothing contingent about it. It is not a case of trying to have it both ways. The amendment states our opposition to the bill and advocates principles and policies that differ from and are adverse to those in the bill. It says those things clearly by saying that we do not want a wage settlement that we regard as inadequate and calling rather for the wage settlement recommended in the Weldon report. It also calls for provisions for job security which are not in the bill and for a declaration against referring work rules to arbitration.

We submit, sir, that this is a reasoned amendment in that it offers an alternative to the present bill. I do not think it could be argued that all this could be achieved by the making of amendments to the bill, though we shall try that if we have to do so. What it really calls for is a whole new bill based on the principles in the speech made by my hon. friend. Therefore, for these reasons, we hope you will find this amendment in order.

Some hon. Members: Hear, hear!

Mr. Speaker: I thank the hon. member for Winnipeg North Centre (Mr. Knowles) for his enlightened comments but I am sure he appreciates the difficulty of the Chair in respect of the amendment proposed by the hon. member for York South (Mr. Lewis).

There are very few amendments that can be moved on second reading. Hon. members know what they are: they are the traditional amendments such as the three months' hoist, the six months' hoist and the referral of the subject matter of a bill to a committee. There is also the reasoned amendment. It is somewhat difficult for the Chair to make rulings in a general way as to which amendments, which so-called reasoned amendments, are acceptable, but it is fundamental in understanding reasoned amendments that members should be aware that such amendments must attempt to indicate why one proposes to vote against the bill. There must be something in a proposed so-called reasoned amendment which indicates why the mover of the amendment will vote against the bill.

In this particular instance it seems to me that what the hon. member is doing, rather than what I have just suggested, is to propose an entirely new proposition. It is, I suggest to the hon. member, in this way somewhat irrelevant. It is always difficult for the Chair to suggest an amendment is irrelevant. I use this word with some caution and care because I am not suggesting that there is no relevance at all between the amendment proposed and what we have before us, but the precedents and the authors have required that these amendments be particularly relevant, and in some cases the authors and precedents have stipulated "strictly relevant".

When an amendment of this kind seeks to propose, for the consideration of the House, an entirely different proposition I suggest to the hon. member that to this extent it is not relevant in the way that our precedents require.

For this reason, and also because in my view the amendment proposed by the hon. member to some extent anticipates the committee stage, I would think that the amendment should not be accepted.

● (2050)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, Bill C-217 proves to us, beyond any doubt, the inconsistency of the present government with regard to labour relations. In fact, looking on the one hand at the law that allows public sectors to strike and on the other at the government which convenes parliament at this time to put an end to a strike it has itself authorized, we must recognize the stupidity in this state of affairs through which the public sector is deprived of the right to strike it was granted by law. And we are not the only ones to have noticed this inconsistency!

This afternoon, we had a striking example of it in front of parliament when 1,200 strikers walked up and down in front of the parliament buildings. At one point, hundred or so strikers decided to shatter the glass doors leading into parliament, and shatter the glass windows and doors of the library.

Listening to the news a while ago, I heard that people from Montreal were responsible for what happened this afternoon. Mr. Speaker, I have even been told that fanatic PQ supporters from Montreal found their way in the ranks of the strikers to cause trouble in front of parliament in Ottawa. They sneaked in among the strikers whose case we are now discussing. That gives us an idea of the mentality created by René Lévesque in Montreal and the province of Quebec.

Mr. Speaker, I also heard on the news this evening that the leader of the NDP (Mr. Lewis) tried to address the strikers. About half of them did not want to listen to him, whereas a few did. The leader of the NDP was trying to make political hay out of the poor CN and CP employees by extoling the beauties of socialism.

So, I say to the members of the New Democratic Party that instead of trying to settle the rail dispute here in Ottawa, they ought to go to the aid of their little friend, Mr. Barrett, in British Columbia, in order to settle the strikes which the government of British Columbia is facing.

These people dare tell us what to do but they cannot do anything when they are in office. That is exactly what is happening in British Columbia. Mr. Speaker, never before has a BC government been so stuck with government corporations than since the election of CCF or New Democrats in British Columbia.

Mr. Speaker, it is very well to try and stir up the poor railway employees and, as the hon. member for York South was saying earlier, the spokesman for the Progressive Conservative party spoke about the Canadian National, but he forgot about the Canadian Pacific. His solution would be to nationalize the Canadian Pacific which is making profits in order to turn it into a deficit ridden company like the Canadian National. That is his solution!

Mr. Speaker, private enterprise is always to be blamed. We say: why not nationalize it and then we will support it with public monies. In fact, $291 millions have been granted to the Canadian National Railways and Air Canada, while private companies are showing profits—this is what the hon. member for York South was saying—in charging the same freight rates and the same fares for passengers.

If a privately-owned company is reaping profits, we say: let us nationalize it. But in the case of state-controlled services we tolerate deficits after deficits, with a possible tax increase for those who make use of them.

Mr. Speaker, unsightly demonstrations like those we had this afternoon remind me of what is going on in Chile, in Argentina and in most socialist countries. Some people have the nerve of attending such demonstrations.

Mr. Speaker, the NDP does not have any solution, nor has the government. Bill C-217 is ordering the employees back to work. If they do, it will be against their will and this will not solve the dispute. This is so true that, as someone said a while ago, Parliament has had to reconvene three times in the last 20 years to settle rail strikes. But it is not settled yet.

This means I am right when I have been saying for at least 30 years that, if it is ever proven to me that a strike has solved the labour problem, I shall join the picket line, but not before that. It is so true that the strike is not settled and will not be with Bill C-217.

What I find amusing is the fact that some people change their mind depending on which side of the fence they stand. And within a few years—I see the Minister of Transport (Mr. Marchand) sitting on the front benches of the Government. For those who do not know he once was the president of the CNTU—

Mr. Prud'homme: The CNTU was reasonable in those days.

Mr. Caouette (Témiscamingue): During the Asbestos strike, the right hon. Prime Minister of Canada (Mr. Trudeau)—

Some hon. Members: That strike has been settled.

Mr. Caouette (Témiscamingue): —not to forget the hon. Minister of Communications (Mr. Pelletier).

● (2100)

In 1949, those three musketeers took part in the Asbestos strike in the province of Quebec. The Prime Minister wrote that the late Maurice Duplessis was a dictator, that he was forcing the employees to go back to work. That is what is being done with Bill C-217. Let us ask that to the hon. Prime Minister.

Do we think, Mr. Speaker, that the Minister of Transport was saying to the Asbestos workers to go back to work? No, he was telling them: Face up to the Canadian Johns-Manville Co. Ltd., to Duplessis. If you have to throw stones at the Quebec policemen do so. The Prime Minister was throwing stones, Mr. Speaker. And so did the Minister of Communications; he was communicating then!

The Minister of Transport was then saying the opposite of what he is saying today since he is telling the striking CNR Canadian National employees: Gentlemen, go back to work, otherwise you will have to bear the consequences.

An hon. Member: Go back but with what?

Mr. Caouette (Témiscamingue): With .30c an hour from January 1, 1973. And let us note that I believe that .30c an hour is reasonable. But what is not reasonable to me is to wait until now to tell the people to go back to work whereas, especially in the public sector, the whole mechanism of employer-employee relations should have been established long ago to avoid a strike as disastrous as the one we are now witnessing.

[Mr. Caouette (Témiscamingue).]

Mr. Speaker, we do not want compulsion; on the contrary we want order in the public sector as far as the 56,000 people on strike are concerned. I was reading this morning a press release from a certain Mr. Smith; according to Mr. Smith and to the people who discussed with him, the Associated Non-Operating Railway Unions, representatives, it was reported, and I quote:

[*English*]

First, we want the MPs to consider the merits of our case, instead of just acting as strikebreakers for the companies.

[*Translation*]

Mr. Speaker, those are NDP words, that is clear; they must have had the visit of the NDP then. I come back to the quotation:

[*English*]

We now regard Parliament as our last court of appeal.

[*Translation*]

Parliament should have long ago passed legislation whereby the workers or the strikers in question should not have had to submit to Bill C-217 now before us.

I go on quoting:

[*English*]

We will have the spectacle of 264 Parliamentary Pilates,—

[*Translation*]

If I say "Pilate" they will think I mean aircraft pilots.

[*English*]

—piously washing their hands of a serious moral issue, and handing our members over to the companies to be underpaid and overworked for another two years.

[*Translation*]

It is as if we were here, Mr. Speaker, to martyrize workers whereas I believe each member of Parliament is sincerely trying to give a maximum of justice to groups of Canadian workers and not only to the 56,000 railway employees. Even if there were 560,000 of them instead of 56,000, it would not prevent me from saying what I think.

For example, it is clear that with the increase in the cost of living, the employees—any employees—want better wages to face the rising cost of living. Everyone knows it but higher wages paid directly from taxes or from Crown Corporations funds or other funds are an increase in the cost of living or in the cost of production and that leads to inflated prices. Salaries run after prices and prices run after salaries, just like a dog which turns in circles to catch its tail and never succeeds in doing so. That is exactly what we are doing.

Mr. Speaker, salaries going into costs bring about higher prices. The increase in freight rates brings about a higher cost of living. We suggest an increase in purchasing power through new credit, and not price increases. Price increases breed inflation when—

Some hon. Members: No.

Mr. Caouette (Témiscamingue): Some say "no". Members of the New Democratic Party think that is funny. That is funny! Let us tax the big to give to the small so that in the end there are only small people and no more big people. That is a logical system in which the number of small people increases, poorer than ever before, while the big disappear. Once they have disappeared, you hear: we won, we are poorer than ever, but we won; that is the rationale of the New Democratic Party.

Mr. Speaker, it all boils down to the cost of living, inflation, the decrease in value of our dollar. Here is what we could read on this subject in the daily *Le Droit:*

The climbing prices in the food products sector have forced a lot of people to reflect upon the solutions to be brought about in order to allow the consumer to come out of it alive.

One cannot say that everybody drew a lesson from it. Some seem unable to comprehend the problem, others do not want to see the true solutions, others finally admit them with reluctance while those who propose valid solutions find it impossible to put them into practice—

—It has always been said of the Conservatives, even when they top it with "Progressive", that they are people "trailing the field."

They do not change much, they are behind the times.

They are traditionalists—

Mr. Heward Grafftey (Brome-Missisquoi): They are what?

Mr. Caouette (Témiscamingue): Traditionalists.

Mr. Grafftey: What is that?

Mr. Caouette (Témiscamingue): Not only that, but you are limited to that—"blinkers".

—fear change and want to preserve old things.

Just like the hon. member for Brome-Missisquoi (Mr. Grafftey): old potatoes!

● (2110)

Furthermore, as their leaders and main supporters are recruited mainly in the ranks of the well-to-do—

—that is true; look at the member for Saint-Hyacinthe (Mr. Wagner)—

—and as they have strong ties with big business, the Conservatives are reluctant to accept any change.

Let us proceed slowly, not too fast!

To wit, their attitude towards the price escalation. They have been unable to come up with any original suggestion. They saw that the United States, where capitalism flourishes and where big industry and finance rule the roost, had adopted a policy of price and wage freeze. The Conservatives followed suit. They asked the Canadian government to freeze prices and wages in Canada—

—for 90 days.

Well, that policy was a real flop in the United States; it resulted in the artificial shortage of food products and a still greater price advance; yet, the Conservatives are still struck on the idea of price and wage freeze in Canada. And they have the nerve to call themselves "progressive".

As for the NPD—

To cope with price increases—

—because I like them, I would like to make them understand, but it is a hard job!

To cope with price increases, one of the first reactions of the NDP was to suggest price controls without, of course, mentioning wage controls.

Let us control prices only, not wages. For a smart solution, that is really smart. As for wages, they will get them from the man in the moon!

Now one measure is unthinkable without the other. How is it possible to prevent prices from rising if one of their components, namely salaries, can rise quickly because of union pressures and strikes? (The strike of the railway non-ops is a conclusive example.)

The NDP has revised its policies and no longer talks about price controls.

That is true, Mr. Speaker. Let us listen to them; they find it embarrassing now to speak about price controls.

But strangely enough, it so happens that the NDP, instead of taking up the cause of consumers and demanding direct assistance to consumers, has come to plead in favour of production concerns. The corporate bums, as they were so blithely referred to by Mr. Lewis during the last election campaign, should be subsidized from the taxes collected by the federal government.

It is a bit thick! The NDP who wants to subsidize the large flour mills, dairy farms and packing houses! Obviously the NDP has gone right off the track. Wishing to save its bacon while protecting the Liberal government, Mr. Lewis' party is becoming inconsistent.

—but it is adept at manoeuvring. I saw at 6.30, the leader of the NDP doing some fancy work, but he does it well. He pretends to be dead against the government, but when it is time to vote, he supports it, because he does not want to defeat it now. He waits and tries to keep the government under his control and decide when the election will be called.

Mr. Speaker, this is a misuse of power.

coming back to the Liberals—

With time, will the Liberal government improve like a good wine—

—according to the Liberals.

—or is the fear of being defeated making them wise?

Mr. Trudeau has rejected the idea of a price and wage freeze like in the United States. On that point, the facts have proved him right, thus bitterly disappointing the Conservatives.

And now, following the suggestion of the NDP, the main supporter of the Liberal government, asking that producers be subsidized, Mr. Trudeau answers, according to *La Presse* of August 22: "The Trudeau government has indicated up to now that it is clearly in favour of income support measures for individuals and families."

If the Liberal government intends to subsidize consumers instead of producers, why not do it right away?

Are the timid measures intended to increase the benefits for senior citizens and the reshaping of the Family Allowances Act as proposed by the Liberals enough to bring an efficient and definite solution to the problem of price increase and inflationary spiral?

Do the Liberals—

An hon. Member: We are not Socreds!

Mr. Caouette (Témiscamingue): I know that but it's about time you did!

Do the Liberals and Mr. Trudeau believe that by staying, like the Conservatives, as retarded and reactionary when it comes to reforms that must necessarily be applied in the field of the financial system, they will provide good solution to the problem of price increase and inflation? Do the Liberals think that by further taxing producers, industrialists, manufacturers and workers,

which has the effect of reducing everybody's income, they will really check rising prices? On the contrary, in reducing the income of manufacturers, industrialists, and workers by imposing heavier taxes, the government simply invites industry leaders and manufacturers to boost their prices and workers to ask for higher wages.

The Creditists agree with the Liberals—

An hon. Member: This is difficult to swallow.

Mr. Caouette (Témiscamingue): Wait a minute! One must not say "agreed" too soon.

An hon. Member: Who wrote that?

Mr. Caouette (Témiscamingue): Réal Caouette.

The Creditists agree with the Liberals to reject the price and salary freeze and they do agree with the Liberals when they proposed as a solution to subsidize the consumers instead of the producers.

But what the Creditists do not admit is that these subsidies must necessarily come from taxes. Social Credit has always claimed and still claims today that the total sum—

Let us look and listen well, instead of trying to talk nonsense.

—of prices which is linked to the total production is always superior to the amount of money paid in purchasing power in respect of this production.

The reason for this is quite simple: any producer, industrialist or manufacturer is in business for making profit. With the present system, how can he show a profit other than by selling at prices higher than his costs. As in the course of production he distributes a purchasing power equal to his costs, his selling prices are always higher than his costs or this purchasing power.

The Social Credit Party proposes a mechanism to correct this anomaly: to increase the global purchasing power to the price level, that is, to create new purchasing means which are not included in the prices and an amount equal to the difference between the sum total of the prices and the sum total of true costs or purchasing power distributed in the course of production.

This could be achieved in two ways: first, an increase in the guaranteed income for everyone and, secondly, a decrease in prices equal to the difference between the sum of the prices and the effective distributed purchasing power, through a consumer discount, such discount being refunded to the retailers (producers) by a drawing on the national credit account.

An hon. Member: What is the bill's number?

Mr. Caouette (Témiscamingue): Mr. Speaker, there lies the solution. Bill C-217, which relates directly to this.

Mr. Speaker, we hear complaints, such as union demands, at this time. The first and main demand of the non-operating employees is security of employment; they want that employees with four years service may not be fired as a consequence of technological change.

● (2020)

That is the problem of automation and useless jobs that must be dealt with. If in industry ten men are replaced by a new technology, push buttons, electronic gadgets using only one man the ten men who were replaced should nevertheless be kept, thus further increasing the cost of production and prices.

Mr. Speaker, railway employees are not interested in job security as such, but the salary attached to the job. That is what interests them, and the salary attached to the job should be guaranteed through a national dividend based on the great production of Canada. There is no other solution than that. So job security is a smoke screen, a hoax. I am a businessman myself. If I have too many employees, of course I will dismiss some. The same thing goes for railways.

Mr. Speaker, some of my colleagues will deal with those issues in detail but I wanted to give the general opinion of our group, and I think that the right hon. Prime Minister and this government should seek the light of Creditist theories and solutions.

[*English*]

Mr. Baldwin: On a point of order, Mr. Speaker, I do not intend to intervene in the debate now, but it is no secret that there were discussions through the usual channels on this subject earlier today, and there is some interest, certainly in our party, in the course which this debate is likely to take. I should like to know whether the motion, as originally put by the minister, calling for the bill to be referred to a standing committee for discussion and report, does in fact represent the manner in which we are to proceed, or whether the House will be asked to follow the course which was followed last year and go into Committee of the Whole.

● (2120)

In addition to that, Mr. Speaker, in an issue of this kind time is of the essence, but consistent with the right to speak of hon. members who feel they have a contribution to make and have things they must say I suggest we must consider the times and dates of sitting. I do not suggest—as I am sure the hon. member for Winnipeg North Centre (Mr. Knowles), the House leader of the Créditiste party and the government House leader would not—that the floor of this House should be the place for discussion, but I think that before ten o'clock we might have some idea as to the way we are to proceed. We should know whether there is any disposition to accept the suggestion that this bill be considered in the committee of the whole, or whether we are going to refer it to the standing committee. That and other things are of interest to us now and, I hope there will be some discussion on these matters before ten o'clock.

Mr. MacEachen: Mr. Speaker, perhaps we could clear up at least the question concerning the bill being sent to a standing committee or being considered by the committee of the whole. It was my intention to ask the House to deal with the bill in the committee of the whole, and, if hon. members will agree, we might decide on that now.

Some hon. Members: Agreed.

Mr. MacEachen: It was my hope also that it might be possible for the House to agree to continue this evening at least until we give second reading to the bill. That would be my suggestion.

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): For the record, Mr. Speaker, may I say that we agree to the bill being sent to the committee of the whole rather than to the standing committee, but on the question of sitting beyond ten o'clock tonight we have an alternative suggestion to make. If the debate is concluded before ten o'clock and the vote

is called on second reading, of course that will be the end of it, but we do not think the House should be asked to sit beyond ten o'clock tonight. We are prepared to have the House sit at ten o'clock tomorrow morning to make up for any extra time that might have been gained tonight.

An hon. Member: Why not tonight?

[*Translation*]

Mr. Fortin: Mr. Speaker, as far as we are concerned, we agree with the suggestion that we should continue this evening until we give second reading to the bill. I am sorry to see that the New Democratic Party disagrees on that and that the concurrence of the motion for second reading is being delayed. We came here to work, and we have amendments to move to improve this bill.

Mr. Speaker, as presented this bill is not fully satisfactory to our party. We want to improve it, and we believe that during consideration in the committee of the whole we will have a better opportunity to do so, instead of simply moving a motion which would amount to a non confidence motion.

[*English*]

Mr. Knowles (Winnipeg North Centre): To make my point clear, Mr. Speaker, I was not objecting to the vote on second reading being taken tonight. As a matter of fact, we are prepared to have it right now.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): My point is that if there are to be further speeches on second reading we should not be asked to go beyond ten o'clock tonight, and, as I suggested, we might make up the time tomorrow.

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): Perhaps we should solve one problem at a time. There is a proposal by the President of the Privy Council (Mr. MacEachen) that, by unanimous consent, we should amend the motion of the minister so that it will read that the bill be referred to the committee of the whole rather than the standing committee. Do we have unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): As to the second proposal, it is difficult for the Chair to see any agreement.

Some hon. Members: Question, question.

The Acting Speaker (Mr. Laniel): There does seem to be an agreement to put the question at this time. The question is on the motion of Mr. Munro (Hamilton East) that Bill C-217 be now read the second time and referred to the committee of the whole. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): All those in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

The House divided on the motion (Mr. Munro, Hamilton East) which was agreed to on the following division:

● (2130)

(*Division No. 37*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Allmand
Andras
Andre
Arrol
Baker
Baldwin
Balfour
Basford
Bawden
Beatty
(Wellington-Grey-Dufferin-Waterloo)
Beaudoin
Béchard
Bégin (Miss)
Bell
Blais
Blaker
Blenkarn
Blouin
Boulanger
Breau
Buchanan
Caccia
Campbell
Caouette
(Charlevoix)
Caouette
(Témiscamingue)
Caron
Clarke
(Vancouver Quadra)
Clermont
Comtois
Corbin
Corriveau
Cossitt
Côté
Crouse
Cullen
Cyr
Danforth
Danson
Darling
De Bané
Demers
Dick
Dinsdale
Dionne
Dubé
Dupont
Dupras
Duquet
Ellis
Epp
Ethier
Fairweather
Faulkner
Fleming
Forrestall
Fortin
Foster
Fox
Frank
Fraser
Gauthier
(Roberval)
Gauthier
(Ottawa East)
Gendron
Gillespie
Godin
Grafftey
Gray
Guay
(St. Boniface)
Haidasz
Hales
Haliburton
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hees
Hellyer
Higson
Hollands
Holmes
Hopkins
Horner
(Battleford-Kindersley)
Howie
Hueglin
Hurlburt
Hymmen
Jamieson
Jarvis
Jelinek
Jerome
Kempling
Knowles
(Norfolk-Haldimand)
Kuntz
Laflamme
Lajoie
Lalonde
Lambert
(Edmonton West)
Lang
Laniel
Laprise
La Salle
Latulippe
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lefebvre
L'Heureux
Loiselle
Lundrigan
MacDonald
(Cardigan)
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and the Islands)
MacEachen

Railway Operations Act

Messrs.

MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
Marchand (Langelier)
Marshall
Masniuk
Matte
Mazankowski
McCain
McGrath
McKenzie
McKinley
McKinnon
McRae
Mitges
Morgan
Morin (Mrs.)
Muir
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil (Moose Jaw)
Nielsen
Oberle
O'Connor
Olivier
O'Sullivan
Ouellet
Patterson
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Portelance
Poulin
Prud'homme
Railton
Reid
Reynolds
Ritchie
Roche
Rompkey
Rondeau
Roy (Timmins)
Roy (Laval)
Rynard
Sauvé (Mrs.)
Scott
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stackhouse
Stanbury
Stanfield
Stevens
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
Stewart (Cochrane)
Stollery
Taylor
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Towers
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wagner
Walker
Watson
Whelan
Whittaker
Wise
Woolliams
Yanakis
Yewchuk—192.

NAYS

Messrs.

Benjamin
Blackburn
Broadbent
Gleave
Grier
Harding
Horner (Crowfoot)
Howard
Knight
Knowles (Winnipeg North Centre)
Leggatt
Lewis
MacInnis (Mrs.) (Vancouver Kingsway)
Neale (Vancouver East)
Nesdoly
Olaussen
Orlikow
Peters
Reilly
Rodriguez
Rose
Rowland
Saltsman
Symes—24.

● (2200)

Mr. Speaker: I declare the motion carried.

Motion agreed to and bill read the second time.

Mr. Speaker: Order, please. Will the hon. member now standing please resume his seat?

[*Translation*]

If the hon member would wait a moment, I shall complete the reading of the Standing Order.

[*English*]

Pursuant to Standing Order 54, I do now leave the chair for the House to go into committee of the whole on the said bill. I am not sure what is the pleasure of the House. I am not sure what is the wish of the House, whether it is the wish that we adjourn at this time—

[The Acting Speaker (Mr. Laniel).]

Mr. Lundrigan: Perhaps I could have Your Honour's indulgence, and that of the House, to suggest that because of the unusual nature of the circumstances facing the whole nation, parts of Canada in particular, the discussions of the House leaders which have taken place could be repeated to the House. Possibly this could result in the House sitting beyond ten o'clock, hopefully to the point where we could dispose of the bill before us, knowing that arrangements have been made which are satisfactory to the majority of the members of this House.

Some hon. Members: Hear, hear!

Mr. Lundrigan: I make this suggestion with great sincerity in view of the fact that the circumstances facing certain regions of the country have reached the stage where hours are more important than anything else. We certainly cannot afford to wait for days.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Hon. members know it is after ten o'clock. I can remain in my chair only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I rise on a question of privilege.

I wish to call your attention to a rather important fact. Is it to show Parliament that the government is topsy-turvy that the flag on your right is upside down?

[*English*]

Mr. Speaker: I do not believe there is unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

Mr. Lundrigan: Mr. Speaker, I recognize that it is sometimes difficult for all hon. members to understand fully the impact of circumstances on each part of the country. There have been a lot of discussions. I beg Your Honour's indulgence to allow hon. members to hear the report of the House leaders in anticipation of reaching some kind of agreement. This country is faced with a national emergency, certain parts in particular.

Some hon. Members: Hear, hear!

Mr. Speaker: The situation is clear. I appreciate that the hon. member wishes to plead for the House to continue its sitting. I could hear many speeches on the point, both for and against, but as it is after ten o'clock the Chair has no authority to remain unless there is unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I have again inquired. Obviously there is not unanimity.

Mr. Lewis: Mr. Speaker, we, and I do not know whether there are others, do not see any value in sitting—

Some hon. Members: Shame!

Mr. Lewis: We do not see any value—

Some hon. Members: Shame!

Mr. Lewis: I ask hon. members to pay me the courtesy of listening as courteously as I listened to the hon. member who preceded me. We do not see any value proceeding in committee of the whole tonight. Some of us want to prepare amendments. On behalf of my colleagues I am prepared to agree to an earlier start tomorrow, if that should be the wish, possibly starting at ten o'clock instead of eleven. I say, Mr. Speaker, that we are likely to accomplish less rather than more if we continue this evening. May I remind the House that we facilitated the vote on second reading?

• (2210)

Some hon. Members: Oh!

Mr. Lewis: I merely remind hon. members that it was the NDP House leader who made the suggestion—

Mr. Speaker: Order. May we have order? It is obvious there is not unanimous consent.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

GOVERNMENT ADMINISTRATION—SUGGESTED MOVING OF SOME SERVICES TO ALBERTA

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, as if there were nothing else of importance for this parliament to be considering, for the moment we are now engaged in the usual adjournment debate. I protest this "business as usual" procedure. Our party was ready, willing and anxious to proceed with discussion of the rail bill in Committee of the Whole. We have to thank the NDP for the delay which has taken place. The NDP has shown its true colours.

Some hon. Members: Hear, hear!

Mr. Roche: The NDP champions the rights of the working class, but when we are here, in the midst of a national crisis, to defend their interests, they want to delay action when we want to proceed. I protest—

Adjournment Debate

The Acting Speaker (Mr. Laniel): Order. The hon. member is not referring to the subject of his question. He knows that the rules governing the adjournment debates are very strict. He should direct his remarks to the subject matter.

Mr. Roche: I agree with Your Honour that I have been called upon to discuss the subject of decentralization. I only wish to say that I do so under protest.

An hon. Member: Then sit down!

Mr. Roche: On April 5 I asked the Prime Minister (Mr. Trudeau) to explain the government's policy on decentralization of government services. I asked him what the policy of the government was, and he said decentralization had already been brought about. That was certainly not the fullest of answers. It was also somewhat premature. In the interim, of course, we have witnessed the Western Economic Opportunities Conference in Calgary which emphasized that the west should share more intimately in the decision-making process.

The government has sought to give the impression that it is taking decentralization seriously. Thus, the Minister of Regional Economic Expansion (Mr. Jamieson) has announced a decentralization program in accordance with which the proportion of departmental staff in the capital has been reduced from 70 per cent to 30 per cent and staff at regional offices expanded from 30 per cent to 70 per cent of the total.

Some hon. Members: Hear, hear!

Mr. Roche: The Minister of Supply and Services (Mr. Goyer) has outlined plans to make more purchases from regions which are distant from the national capital. The Department of Industry, Trade and Commerce is increasing the resources and responsibilities of regional offices, especially in counselling programs for small business. The Royal Canadian Mint extension is being located in Winnipeg. The concept of decentralization of federal government activity, as the Minister of National Defence (Mr. Richardson) tells us, is nothing more and nothing less than a concept of equality. "It is essential that every Canadian know that the nation's business is nationwide", the minister says. And I agree.

One might think that with all this activity the need for decentralization is being met. But it is not. Decentralization means more than a slight shifting of the federal payroll out from Ottawa. It means stopping the shocking proliferation of government buildings here in Ottawa as indicated by the plan to take over huge amounts of commercial space south of Wellington Street. It also means bringing the decision-making process closer to the people, and this implies essentially that regional interests will become a priority of the federal government.

For too long we have silently watched government grow and grow to the point at which we are now one of the most overgoverned people on earth. The joint parliamentary committee on the constitution of Canada has warned us about the danger which arises as a result of the over-centralization of power in Canada.

Therefore, Mr. Speaker, when I speak of decentralization as the vehicle to a better society in Canada I do not

mean just spreading out some convenient services as if they were some sort of pork barrel. I mean a bold, new concept of government which would recognize that our national unity is dependent on the degree that all Canadians can be close to and participate in their national government. There is no reason the decision makers within certain departments cannot be located in areas other than Ottawa.

Why cannot the agricultural policies be formulated in western Canada; why not the formulation of policies of the Department of Regional Economic Expansion in the Atlantic area, with energy policies formulated in Alberta? Why must the head offices of Crown corporations be in Ottawa?

Such positive steps would not only help various regions get their fair share of the economic benefits of federal spending, but the federal process would be enriched by the infusion of creative thinking at the policy-making level. Then the eastern and western provinces would not be just appendages to central Canada's domination of the federal government; they would be active participants.

That is the message of the Western Canada Opportunities Conference, Mr. Speaker, but it is a message the government gave no sign of receiving. I am afraid that the government's half-hearted attempt at decentralization will actually amount to nothing more than sprawling government, in which the departments will add staff on geographic fringes while retaining their decision making apparatus in Ottawa. Without the bold, new concept I have outlined, decentralization will just make a big government bigger and frustrations will multiply.

Let us take advantage of modern communications and transportation to bring government to the people, and true decentralization is the way.

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, as the hon. member is aware, the government favours decentralization of its services, and the matter is under continuous review to ensure that opportunities to this end are taken advantage of fully.

Since last spring, when the hon. member asked what steps the government was taking to decentralize services specifically to western Canada, a number of initiatives have been started. The Department of Regional Economic Expansion announced a major decentralization with the proportion of staff in the capital to be reduced from 70 per cent to 30 per cent.

The Department of Industry, Trade and Commerce began a program to expand the resources and responsibilities of its regional offices, including such initiatives as extending to three new areas the Counselling Assistance to Small Enterprises Program; appointing regional tourist officers in each province, and delegating on an experimental basis to regional offices the granting authority under programs such as the Advancement of Industrial Technology, the General Adjustment Assistance Program, the Program to Enhance Productivity and the Industrial Design Assistance Program.

The Department of Consumer and Corporate Affairs is setting up a number of consumer help offices at the community level, and Information Canada is expanding its system of regional enquiry centres. The Department of the Environment is developing extensive marine geoscience facilities as part of the new oceanographic institute at Patricia Bay. The National Film Board is opening a Prairie regional production centre.

In addition, consideration is being given to relocating the Science Council out of the National Capital Region, and establishing on the Prairies a new defence research laboratory and a new communications systems engineering facility. The extension of the mint in Winnipeg is well known.

Finally, for perspective, it is worth remembering that as of September last year 207,000 of the 277,000 public servants, or 75 per cent, were employed outside the National Capital Region.

• (2220)

Among this group are included such agencies as the research centres of the Department of the Environment at Burlington, Bedford and Winnipeg, the regional production centres of the National Film Board in Vancouver and Halifax, the Transportation Development Agency in Montreal, the Atmospheric Management Headquarters of DOE in Toronto, and the headquarters of such major Crown corporations as CNR and Air Canada. In other words I would reply to the hon. member that the process of decentralization of the public service is a continuing one and concrete progress is being made. I hope the hon. member will continue pressing the government to decentralize not only, as he said, the offices but also the decision-making power.

AGRICULTURE—FEED GRAINS—REQUEST FOR ANNOUNCEMENT OF POLICY

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I refer to a question I asked on July 23. At that time, addressing a question to the Minister of Justice (Mr. Lang), in charge of the Wheat Board I asked if he would tell the House what his policy was in respect of the marketing of feed grain since he repeatedly had said there would be changes. The Minister of Agriculture (Mr. Whelan) replied that this minister is responsible and that any stand he takes would be a responsible one. Tonight in these few minutes I wish to call to the attention of the House the deterioration which has taken place in the orderly marketing of feed grain, barley, wheat and oats, from western Canada and call to the attention of the House the concern that has been expressed in western Canada.

I want to point out to the House that the Minister of Agriculture for Manitoba has stated that although the Minister of Justice in charge of the Wheat Board set September 15 as the date for the new policy to come into effect, right now the Canadian Wheat Board is selling No. 1 feed barley at $2.20 per bushel to eastern Canada while the export price is $3.20 per bushel. This statement was made by Mr. Uskiw, the Minister of Agriculture for Manitoba, on August 24. He states that for every bushel that is sold to eastern Canada the prairie grain farmers lose $1. This is the situation at which we are looking. At this point in time we have no indication of what the

regulations or Orders-in-Council will be as of September 15, although this is the date upon which the Minister in charge of the Wheat Board said the new policy would come into effect.

Now we find the market disorganized. In a wire to the provincial ministers the Minister of Justice said he was working toward stabilization of marketing policy. We had a stable marketing policy until the minister in charge of the Wheat Board and the Minister of Agriculture mucked it up. We had a stable policy, and now we have an unstable and disorganized market.

One might look at the record and see that officials of the federal Department of Agriculture met the representatives of Manitoba and Saskatchewan. When the meeting was over the Minister of Justice from Ottawa, who had not even attended the meeting, said they could like it or lump it. Out of that meeting emerged the representatives of the two governments of Manitoba and Saskatchewan saying that the farmers of western Canada would no longer be well served.

If we move from marketing through the Canadian Wheat Board to commodity exchanges in Winnipeg, according to a story put out on August 30 there is a statement to the effect that the commodity market in Winnipeg, the futures market, is no longer in operation. The situation has deteriorated to the extent that there is no regular market pricing system for feed grains being sold in western Canada.

At one time the price of western barley was competitive with the price of United States corn. This is no longer the situation. The ministers responsible said they would set up a pricing policy in eastern Canada comparable to or based on the feed mill price in western Canada, but the feedmill price in western Canada is unknown.

The government has thrown the marketing of feed grains from western Canada into complete disarray. Stability is a thing of the past according to the wheat pool budget of July 20, and I suggest that the government read it. The western farmers are subsidizing the livestock industry in eastern Canada. This is the situation in which they find themselves.

I disagree with those to my right who said this evening that this matter is not of importance. This matter is of importance because it involves not only the well being of the farmer in western and eastern Canada but the unity of this country, and the basis upon which we can do business and have a good understanding of how to carry on business. I can only deplore the lack of information and clear policy of the government which should have been provided by the two ministers who are responsible for agriculture.

I plead with the ministers that if they have anything in mind other than total disorganization, if they have anything in mind which would be to the benefit of Canadian farmers, let them make a statement, either here or elsewhere, on what their policy is so that some kind of an orderly marketing system can be adopted because at present there is a disorganization. They have destroyed the stability of the Canadian Wheat Board. At a time when grains are in short supply and when, above all things, we need an orderly market they have chosen to disrupt and disorganize what was a stable marketing system.

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am pleased to reply tonight on behalf of the Minister of Agriculture (Mr. Whelan) to the question asked by the hon. member.

This question was asked prior to the statement concerning the new policy (proposition) on domestic feed grains. As the hon. member knows, this statement has already been made public. The hon. member's question is also related to the fact that this statement should have been made in the House. Such was the minister's intention, Mr. Speaker, but this was impossible since the House was adjourned.

I think all hon. members are aware that the temporary measures which have been announced are welcomed by a great number of Canadian producers. Every one can rest assured that strong efforts are being made to put the proposition into effect as soon as possible.

[*English*]

POST OFFICE—RE-EXAMINATION OF REQUIREMENT FOR ESTABLISHMENT OF RURAL ROUTES IN WESTERN CANADA

Mr. Jake Epp (Provencher): Mr. Speaker, on April 12 last I asked a question of the minister in charge of the Post Office in respect of the extension of rural services. In the past few years we have witnessed a phenomenon that has been commonly referred to as rural depopulation. Rural depopulation, I suppose, has been due to various reasons and causes, but one contributing factor which no one denies has been the lack of government services in rural areas, whether they be municipal, provincial or federal. Services which are taken for granted in small towns are often not available in the rural area or if they are, are only available on a limited basis and are often of a second quality.

• (2230)

In recent years decreasing rural population has resulted in the closing of many rural post offices. Some were very, very small indeed and it was not economically feasible to keep them open. However, the government clearly came up with a policy which stated that despite the closure of these small post offices the areas would have postal service better than that being provided through the rural route system. What has happened since that time? The delay in mail deliveries has become almost a national catastrophe. A letter sent on a Wednesday in a so-called remote area will not be delivered perhaps until the next Tuesday. That is not an efficient postal service, Mr. Speaker.

There is also a formula devised by the post office according to which a certain number of people must live along a rural route in order for the service to be extended. In my riding there are areas where the rural route ends, but had it been extended for another mile, three or four more people could have been serviced. The formula does not allow this to be done, and so the truck turns around and retraces the distance already covered. This has created hardship and has forced many people to travel to post

offices, sometimes nine or ten miles each way, where apparently they get service.

On April 12 I asked that the government live up to its commitment to review rural routes, and asked that the routes be extended despite the fact that a contract had been signed with a carrier. An additional payment could be made to carriers if the routes were extended to give the service that was promised when the post offices were closed.

Sometimes the post office officials will claim that they cannot extend the rural route for another mile because there are not enough people, but they offer to put a box in the middle of the country where there are large farms and allow the mail to be delivered there. That is not an adequate service, having the mail delivered two or three miles away from a farm, and left there unsupervised. If the mail is delivered mid day, sometimes the people do not only have a chance to pick it up until the end of the day.

We are asking the post office to establish a system to extend the rural routes even during the time of the contracts with the carriers in order to provide service. In many cases the post office is the only regular federal government service that rural people see. They are taxpayers and are entitled to the service.

I submit to the government and to the post office that it is time for more flexibility, without all the bureaucratic redtape and formulae, to be applied to the extension of rural routes.

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am pleased to answer the question of the hon. member.

According to the last figures available, there were 5,014 rural routes in operation in Canada serving a total of 808,000 households. The criteria for the frequency of the service on those routes are now based on the number of households per mile travelled. When there are more than three households per mile travelled, the mail will then be delivered six times a week. When there are between two and three households per mile, the mail service will be provided four times a week.

Under the current regulations of the department, 4,420 out of the 5,014 rural routes are served six times a week. This means that 88 per cent of the rural routes have a more frequent service than that available to urban users. It is true that most of the routes which are not so well served are in the Prairies because of the continuous increase in the size of the average farm and of the generalized tendency among farmers to move to town or to travel frequently to their farms.

In spite of a less frequent postal service in most of those routes in Alberta, Saskatchewan and Manitoba, its cost per household is 36 p. 100 above the national average.

If the department decided to give a six day a week service in all of these routes instead of the present four day at least it would cost $1,450,000 more per year. Therefore, the Post Office Department is trying to find other means to determine the frequency of the service.

Motion agreed to and the House adjourned at 10.42 p.m.

HOUSE OF COMMONS

Friday, August 31, 1973

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

SUGGESTED POWER OF ENERGY BOARD TO SET PRICES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, under Standing Order 43 I seek unanimous consent to move the following motion, seconded by the hon. member for Skeena (Mr. Howard):

That this House is of the opinion that the government should immediately introduce legislation to authorize the National Energy Board to set maximum prices for crude oil, gasoline and home heating fuel, including the authority to roll back prices, such legislation to be dealt with following third reading of the resumption of railway services legislation.

Mr. Speaker: This motion, proposed under the terms of Standing Order 43, requires unanimous consent. Is there unanimous consent?

An hon. Member: No.

Mr. Speaker: There is not unanimity.

* * *

GOVERNMENT ADMINISTRATION

SUGGESTED REDUCTION IN EXPENDITURES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I, too, rise under Standing Order 43 to seek leave to move a motion on a matter of urgent and pressing necessity, namely the extravagance and wasteful expenditure in which the federal government engages at the Ottawa level and the effect this has on inflation and the rising price spiral.

I should therefore like to move, seconded by the hon. member for Assiniboia (Mr. Knight):

That this House is of the opinion that government expenditures at the Ottawa level should immediately be cut back by 10 per cent with special reference to travelling expenses, the employment of non-governmental consultants, and advertizing.

Mr. Speaker: Is there unanimous consent?

An hon. Member: No.

Mr. Speaker: There is not unanimous consent.

[*Translation*]

PENITENTIARIES

ABOLITION OF INSTRUCTOR'S UNIFORMS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, under Standing Order 43, I request the unanimous consent of this House to move a motion of urgent and pressing necessity.

Considering that, effective September 3, penitentiary instructors will be deprived of their uniforms, that these instructors may be called upon to help security guards when escapes occur, and that they run the risk of being confused with inmates, I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That this House grant an extension of powers to the Committee on Justice presently investigating the living conditions of inmates within penitentiaries in order that the committee may submit recommendations concerning this.

Mr. Speaker: The House has heard the hon. member's motion. Under Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore, the motion cannot be put.

* * *

[*English*]

FOOD PRICES REVIEW BOARD

AUTHORITY TO ESTABLISH FLOOR PRICES FOR PRODUCERS AND MAXIMUM RETAIL PRICES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to move a motion under the terms of Standing Order 43. I move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House express the opinion that the government should immediately introduce legislation to give the Food Prices Review Board, in conjunction with other departments, authority to establish floor prices for prime producers of foodstuffs and maximum retail prices for consumers in order that this action might also help to weed out profiteering.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: No!

Mr. Speaker: There is not unanimous consent.

Excess Profits Tax

FINANCE

ELIMINATION OF TAX ALLOWANCE TO FOOD RETAILERS FOR ADVERTISING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Harney (Scarborough West): Mr. Speaker, I, too, rise under the terms of Standing Order 43 to ask unanimous consent to move the following motion, seconded by the hon. member for Toronto-Lakeshore (Mr. Grier):

That this House urges the government to place on the order paper forthwith measures to eliminate tax allowances for advertizing in the food retailing industry.

Some hon. Members: Hear, hear!

Mr. Speaker: Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

PENSIONS

SUGGESTED ELIMINATION OF TWO PER CENT CEILING ON ANNUAL ESCALATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, hope never fades. I ask leave under the provisions of Standing Order 43, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), to move:

That this House urges the government to place on the order paper forthwith legislation to remove the 2 per cent ceiling from the annual escalation of all pensions to which such a ceiling still applies and that this legislation be proceeded with immediately following the disposition of the railway strike legislation.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not.

* * *

FINANCE

SUGGESTED INTRODUCTION OF EXCESS PROFITS TAX—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, under the terms of Standing Order 43, I rise on a matter of urgent and pressing necessity arising from the effects of inflation, namely, the excessive profits being made by companies such as food chains. I therefore move, seconded by the hon. member for Nickel Belt (Mr. Rodriguez):

That this House is of the opinion that the government should immediately introduce legislation to establish a corporations excess profits tax, the proceeds therefrom to be used to increase old age pensions, such legislation to be dealt with immediately following third reading of the railway strike legislation.

Mr. Speaker: Is there unanimous consent?

[Mr. Speaker.]

An hon. Member: No.

• (1110)

Mr. Speaker: Perhaps this provides an opportunity for the Chair to express the hope that the Committee on Procedure and Organization will, as suggested a while ago, take a serious look at the operations of Standing Order 43.

Some hon. Members: Hear, hear!

Mr. Howard: In respect of the matter you have just raised, Mr. Speaker, I wonder whether that committee might also consider the possibility of requiring those who hide in their seats and say "no" to stand up and be identified.

Some hon. Members: Oh, oh!

Mr. Howard: Like that group of Tories there.

ORAL QUESTION PERIOD

[*English*]

BUSINESS OF THE HOUSE

REQUEST FOR OUTLINE OF GOVERNMENT PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister in respect of the business the House will be dealing with when we finish the urgent matter now before us relating to the railway dispute. I should think the Prime Minister would agree that the House is entitled to know what the business will be in order that we can plan our work in an orderly way and form some idea as to the government's program. I would, therefore, ask the Prime Minister in an earnest way to indicate to the House what the order of business will be following the completion of this bill?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the House of Commons knows, there are many matters on the order paper now with which the House can deal, and we intend to—

An hon. Member: Which ones?

Some hon. Members: Oh, oh!

Mr. Diefenbaker: The usual arrogance.

Mr. Trudeau: Insolence.

Mr. Diefenbaker: That is another example of arrogance.

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, I am surprised that the opposition does not want to let me finish my statement. If they want to know what the legislation will be, I should think they would be inclined to listen to what I have to say.

Mr. Stanfield: Mr. Speaker, the Prime Minister has indicated that there are a number of matters on the order paper. I should like to ask which matter on the order paper he intends to proceed with following completion of the present urgent matter now before the House. What matter on the order paper does he intend to proceed with, or is there some matter not on the order paper with which he intends to proceed? I think, with all respect, as Leader of the Opposition I am entitled to put this question and insist on an answer.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, if I may be permitted to repeat my answer, I was going to say there are many matters on the order paper now with which the House could deal, and there are other matters we want to give notice of later in the day in the usual manner under the rules, before five o'clock, which can be dealt with on Tuesday. The government House leader will be consulting with other House leaders to determine the order of procedure in which they would like to take these matters up, and the opposition will have ample time to prepare themselves for the debate next Tuesday if, indeed, as I hope, we will finish the legislation in respect of the railway conflict before the end of this day.

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

EFFECT OF INCREASED PRICE OF WHEAT ON PRICE OF BREAD—GOVERNMENT ACTION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask a further supplementary question in the hope that the government is not as confused as the Prime Minister seems to be about the order in which we will take up the business. I should like to ask the Prime Minister whether he has now had a further opportunity to consider the question put to him yesterday by myself and the hon. member for York South about the price of wheat, and the effect this has on the price of bread. Can he now tell the House if and when the government proposes to take any action? While it is all right for him to ask me to be patient, the price of bread seems to be going up very rapidly. Could the Prime Minister give the people of Canada some assurance in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Not at this moment, Mr. Speaker.

INCREASE IN COST OF LIVING—REQUEST FOR STATEMENT ON GOVERNMENT ACTION TO CONTROL

Mr. David Lewis (York South): Mr. Speaker, yesterday the Prime Minister informed the House—I am not sure I remember the words correctly because I have not looked them up in *Hansard*—that the government intended to give leadership on the issue of the cost of living. I can appreciate the Prime Minister not wanting to go into details today but may I ask him when this House may expect a statement from him or someone else on the government benches concerning the package of measures the government has in mind in this attempt to give leadership on this issue?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I indicated in my previous answer there will be notice given on the order paper today of some matters with which we would intend to deal next week. When these matters are brought up in the House, the government will have occasion to state its position on the various aspects of the cost of living.

* * *

AGRICULTURE

SUGGESTED SUBSIDY FOR FLUID MILK—GOVERNMENT POSITION

Mr. David Lewis (York South): Mr. Speaker, my supplementary is directed to the Prime Minister or to any other minister who may answer, any other of his cabinet colleagues. The Prime Minister no doubt has seen reports in the press today about an increase in the price of fluid milk consumed by children and adults. I should like to ask the Prime Minister whether action is intended to subsidize fluid milk as industrial milk is now subsidized in order that the consumers may not face an increase in the price of milk.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as on the other matter previously mentioned the Leader of the New Democratic Party will have to wait until the government makes its announcement in that regard.

* * *

FOOD PRICES REVIEW BOARD

INQUIRY AS TO ADEQUACY OF STAFF

Mr. David Lewis (Yorth South): Mr. Speaker, may I direct a supplementary to the vital, invigorating and dynamic Minister of Consumer and Corporate Affairs. Someone suggested I left out the adjective "sparkling". May I ask him whether he can inform the House what staff the Food Prices Review Board now has, and whether it has sufficient staff to do even the narrow work that is now entrusted to it, namely to carry out inquiries into food prices.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am glad that the hon. member, who is such a shrewd observer of Parliament, has observed certain vital attributes of my personality. I should like to inform the hon. member that according to the advice I have from the Food Prices Review Board work has been going on to assign to them the further investigative staff they require. I understand they are presently able to carry out their mandate.

[*Later:*]

SUGGESTED GRANTING OF POWER TO ROLL BACK PRICES—GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is directed to the Prime Minister and is supplementary to the first question asked by the Leader of the Opposition. Is it the intention of the government to introduce legislation in the near future to give the Food Prices Review Board power to roll back increases in food prices, and if so when is it intended that that legislation will be introduced.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I made an announcement in this regard in the early part of August and I would ask the hon. member to refer to it.

* * *

[*Translation*]

FINANCE

INCREASE IN BANK INTEREST RATES—REQUEST FOR DEBATE

Mr. André Fortin (Lotbinière): I should like to put a supplementary question, Mr. Speaker.

As reported on page 6067 of *Hansard* yesterday, the Minister of Finance (Mr. Turner), in reply to the hon. member for Shefford, stated that there may be an opportunity next week to discuss the excessive increase in interest rates within the cost of living, so I would like to ask the Prime Minister if, as a result of the statement made by the Minister of Finance, the House will deal more specifically with the rise in interest rates and its consequences on the general cost of living in Canada.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member, as all the others, will have to wait and see to learn the answer.

* * *

● (1120)

[*English*]

AGRICULTURE

EFFECT OF COST OF FEED GRAIN ON MILK PRODUCTION—GOVERNMENT ACTION TO CORRECT

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I have a further supplementary question for the Minister of Agriculture regarding the prices for milk and dairy products. Has he been informed by eastern farmers that because of the soaring cost of feed grain in many instances they can no longer feed the cattle, that production will go down and we can expect further increases in milk prices? What immediate action does he intend to take to relieve the eastern farmers in this grave situation?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I hope the hon. member is aware that we raised the government subsidy for industrial milk in all of Canada by $1 a hundredweight on August 1. I understand that they are satisfied.

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FISHERIES

HERRING—INQUIRY AS TO ADHERENCE OF RUSSIANS TO ICNAF AGREEMENT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of the Environment. Prior to closing down the herring fishery in Atlantic Canada, how many Russian ships presently catching herring in our coastal waters were examined below decks by Canadian officials in order to determine whether the Russians are adhering to the ICNAF agreement?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, all North Atlantic nations other than the U.S.S.R. now permit inspection below decks but, as the hon. member knows, the U.S.S.R. does not permit it, officially. We have, however, been following their vessels closely and our officers' estimate is to the effect that they have not yet taken their quota as we have done.

Mr. Crouse: Mr. Speaker—

Mr. Speaker: The Chair will recognize the hon. member on a supplementary question, then the hon. member for Malpeque, followed by the hon. member for Saskatoon-Biggar, and then the hon. member for Richmond.

Mr. Crouse: My supplementary question is a brief one. What process is used by Canadian officials, if we are not permitted to inspect Russian catches below decks, to determine whether they are adhering to their agreements?

Mr. Davis: Close observation of the vessels, the gear they use, and the extent of their catch as it comes on deck.

* * *

TRANSPORT

PRINCE EDWARD ISLAND AND NEWFOUNDLAND—SUGGEST CROWN CORPORATION TO OPERATE FERRIES—GOVERNMENT POSITION

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a question to the Minister of Transport. Is the government giving consideration to setting up a separate Crown corporation charged with the responsibility of operating the vital ferry transport links joining the provinces of Prince Edward Island and Newfoundland with the mainland or taking some other action so that when there is a work stoppage in the railway system anywhere this would interfere automatically with the operation of these vital links.

Hon. Jean Marchand (Langelier): Mr. Speaker, I know that up to now the railways were inclined to relate the activities of the ferries to the activities of the railways. It might be worthwhile to look into this problem to see if it will improve the situation to establish a separate Crown corporation.

GRAIN

PRICE OF FEED GRAIN IN EASTERN CANADA—PRICING POLICY OF WHEAT BOARD—REQUEST FOR STATEMENT BY MINISTER

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to ask the minister in charge of the Wheat Board whether, in view of the statement made by the provincial minister of agriculture in Manitoba on August 24 that No. 1 feed barley from western Canada was sold at $1 a bushel below the export price to feeders in eastern Canada, the minister can tell the House if this pricing policy by the Canadian Wheat Board is adhered to at the direction of the minister? Is it now government policy that western grain farmers should subsidize eastern feed lot operators?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would like to make it perfectly clear to hon. members, as I tried to do yesterday, that the existing pricing policy in the domestic market is completely in the hands of the Canadian Wheat Board and follows the practices in the past. The new policy for this year under which the Canadian Wheat Board will be asked to relate the prices to feeders in eastern Canada to prices at which farmers on the Prairies are willing to sell grain on an off-board basis will come into effect in the near future but it is not yet in effect.

Mr. Gleave: May I ask the minister when he will make a statement in the House telling us what the policy is, especially in view of the reports in the last day or two that the commodity markets, the futures markets, are no longer operating in Winnipeg with regard to the establishment of futures prices for western feed grains. When is he going to give this House an assurance that there is any kind of pricing policy that the farmer in western Canada can understand.

Mr. Speaker: Order, please.

Mr. Lang: Mr. Speaker, the one thing that the western farmer knows for certain is that off-board prices are much higher now than they have been before and various actions on the part of the government, including better information for the farmer, have made it clear that those prices should be higher. I think I may take an opportunity on some early occasion to elaborate further on the workings of the market at the present time in order to improve information available to farmers, and also on the changes which are being made in the near future.

[*Translation*]

FEED GRAIN—SUBSIDY ON FREIGHT RATES AND TO PRODUCERS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the minister responsible for grains.

Since the new feed grain policy announced by the government in early August has in no way brought about the reduction in the price of these grains in Eastern Canada, could the minister now tell us whether the government intends to grant subsidies to either carriers or producers in order that at last these prices might be reduced?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the policy announced on August 3 will begin to take its real effect with the introduction in the latter portion of September of the selling policy of the Wheat Board related to a more orderly off-board price. It therefore does not exist at the present time. Existing stocks of feed available in eastern Canada are those which have been accumulated on a price basis before August 3. It will be a little time, therefore, before the effect of the new policy is felt throughout the country.

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FINANCE

NEED FOR REDUCTION OF MORTGAGE INTEREST RATES—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to direct a question to the Minister of Finance arising from the non-answer given yesterday by the Minister of State for Urban Affairs with regard to NHA mortgage interest rates. Has the government any intention at this time to roll back mortgage interest rates or to revise its over-all monetary policy in order to restore acceptable mortgage interest rates in this country as one method to assist in checking galloping inflation.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, more money is going into mortgages through institutional sources such as banks, trust companies and life insurance companies than ever before.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): I have said to the president of the Canadian Bankers Association that in view of the healthy state of bank profits I would not favour any further movement in mortgage interest rates. Indeed, although bank profits are primarily due to volume of business and to the expansion of the economy, and not due to the spread between the amount of money that they pay for deposits and the amount of money they charge for loans—

Mr. Speaker: Order, please. Perhaps the minister might allow the hon. member the opportunity to ask a supplementary, which would give him the occasion to complete his reply.

Mr. Woolliams: Mr. Speaker, I listened very carefully to the minister's answer. Of course, the people are now shackled with high interest rates and their mortgage payments are higher than at any time in the history of the country.

Mr. Speaker: Order, please. Perhaps the hon. member might ask his supplementary.

Oral Questions

SUGGESTED CEILING ON INTEREST RATES—POSSIBLE GOVERNMENT ACTION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I ask the minister this: has he had any real, meaningful interviews with the governor of the Bank of Canada? If not, since the Bank of Canada can keep increasing its rate, would he now, on behalf of the government, assure us that it is going to legislate a ceiling on interest rates, to protect the consumers and people of this country.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to assure the hon. gentleman that I meet regularly and meaningfully with the governor of the Bank of Canada, and I say to him that we are looking into the general structure of interest rates in this country. On the short and medium term, they are 2 to 3 points lower than those in the United States, 5 points lower than those in Europe, and lower than in any other industrial country in the world.

Mr. Woolliams: I have one further supplementary. I did not know the minister was in a race with other nations to increase the rates. What is his ceiling, one hundred per cent?

* * *

● (1130)

GRAIN

POSSIBLE INCREASE IN INITIAL PRICE OF DURUM WHEAT—GOVERNMENT POSITION

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the minister in charge of the Canadian Wheat Board. Could the minister inform the House whether, in lieu of the going international price for Durum, the Wheat Board is considering an increase in the initial price of Durum?

Hon. Otto E. Lang (Minister of Justice): Not at the present time, Mr. Speaker.

FEED GRAIN PRICING POLICY—SUGGESTED NEED FOR REVISION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, a question for the minister in charge of the Wheat Board on the subject of feed grains. The minister's statement was made on August 1 this year and since then the world price for wheat on off-shore commodity markets has escalated. I believe it was selling on Chicago futures yesterday at $5.30 to $5.70 a bushel. Is the minister reconsidering that policy so that he can bring some help to domestic producers and thus avoid headlines like those which appeared in a Vancouver newspaper yesterday announcing an increase in the price of eggs by 17 cents per dozen because of the cost of feed grains in the west as well as in the east?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it may seem a little easy for the member from a non-farming area to point the finger—

Some hon. Members: Oh, oh!

[Mr. Speaker.]

Mr. Hees: Have you ever been in the Annapolis Valley? Get around the country.

Some hon. Members: Oh, oh!

Mr. Lang: —to point the finger at the returns being received by grain farmers—

Mr. Speaker: Order, please. May we have order please? Perhaps we might allow the minister to reply to the question asked by the hon. member.

Mr. Lang: Mr. Speaker, I think the reference the hon. member has made may be to a particular grain price situation arising from the strike which we hope will soon be over with quick action on the part of this House of Commons. Grain prices have, of course, been rising in recent months and the price of animal products has been rising also in relation to grain prices. In my view anyone who knows anything about farming areas knows this is a long overdue increase in returns to farmers who, for far too long in this country, have been lagging behind every other group.

Mr. Nowlan: I must say, being a gentleman from—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Nowlan: —a farming area, that part of the riding I represent is King county, and it is the King county for agriculture in Atlantic Canada. We on this side of the House have suggested that the Minister of Justice should be relieved of the onerous task of being responsible for the Wheat Board because he does not know anything about it. He stayed too long in the classroom teaching law, and does not know where the farming areas are.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I did not recognize any question in what the hon. members said. I point out to hon. members that we are running out of time and I see a number of members waiting for an opportunity to ask questions. I suggest to hon. members that we should try to limit the length of the questions and the number of supplementaries as well as the length of replies given. The hon. member is recognized for a supplementary.

Mr. Nowlan: I appreciate that, Mr. Speaker. I was just sort of setting the right premise after the example of tunnel vision given by the Minister of Justice. My question, Mr. Speaker, was on the basic policy announced by the minister on August 1 when I think the price of wheat was $2.02 per bushel. Since that time it has escalated two or three times, so that yesterday or the day before it was $5.30 or $5.70 per bushel. Surely, that type of change in world commodity markets—

Mr. Speaker: Order, please.

Mr. Nowlan: —necessitates a review of the price of feed grains in Canada.

Mr. Lang: Mr. Speaker, the hon. member seems to me suffering from a great deal of confusion about which

policy had anything to do with anything else. A decision was taken in July which allowed the producer of wheat to obtain for his wheat the value which was indicated for it by world prices so that he would be on the same basis as the producers of other products. That was the decision in July. Since that time, the price of wheat in the world has gone up $2 per bushel and the grain farmer will be receiving the full benefit of that increase. At the same time, there was a feed grains policy statement in August—

Mr. Speaker: Order, please. I apologize to the minister. I appreciate he is trying to give a reply to the question asked by the hon. member but we are running short of time. I suggested to members that the questions should be short and the replies should be brief also. Perhaps we might attempt at this time to obtain a supplementary. I believe the hon. member for Regina-Lake Centre has a supplementary.

VALUE OF LIFT PROGRAM IN VIEW OF SUPPLY SITUATION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I would direct a further question to the minister in charge of the Canadian Wheat Board. In view of the situation in Canada and the rest of the world in terms of grain supply generally, I wonder if the minister could refresh our memories and advise whether he still insists that Operation Lift was a good idea. Could he explain to us why—

Mr. Speaker: Order, please. The question in those terms requires a general statement which should not be made at this time. The hon. member for Qu'Appelle-Moose Mountain.

* * *

THE CANADIAN WHEAT BOARD

REDUCTION IN POWER TO CONTROL IMPORTATION OF GRAIN—CONSULTATION WITH FARM ORGANIZATIONS

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is supplementary and is addressed to the minister in charge of the Canadian Wheat Board. Has the minister made any decision to reduce the power of the Canadian Wheat Board to control the importation of grains and turn that over to the Department of Industry, Trade and Commerce under the act to control imports?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, that decision was part of the August 3 announcement.

Mr. Speaker: The hon. member for Ottawa West.

Mr. Hamilton (Qu'Appelle-Moose Mountain): A supplementary. Has the minister—

Mr. Speaker: Order, please. Perhaps the hon. member for Ottawa West would bear with me for a moment. There is a supplementary after which he will be recognized.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Has the minister had any consultation with farm organizations about the serious decline that he is proposing in the power of the Wheat Board?

Mr. Lang: Mr. Speaker, I should make clear to hon. members that the change in the location of the power over export and import does not indicate any general intention to change the manner of full control by the Canadian Wheat Board of all exports, and the general rule that when Canadian supplies are available grains will not be allowed into this country from outside. It simply locates the difficult decision of certain special cases in a place which makes that decision for other products. On the question of consultation, there is of course full consultation with farmers and farm organizations on all these questions.

Some hon. Members: Hear, hear!

* * *

FOOD PRICES REVIEW BOARD

REQUEST FOR DISMISSAL OF CHAIRMAN

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the palpable incompetence of the chairman of the so-called Food Prices Review Board, and in view of her gratuitously affronting advice to the people of Canada to eat cake if they cannot get bread, will the minister dismiss this woman immediately?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not think the test of the lady's competence is whether she allowed the hon. member to attend a meeting of the board. I do not think he should take out his pique about this through his question in this House but the answer is no.

Mr. Reilly: A question of privilege.

Mr. Speaker: The hon. member rises on a question of privilege.

Mr. Reilly: Mr. Speaker, it is the privilege, not the privilege the right, of every member of this House to be informed about matters as important as this and if this minister believes that the Chairman was right in refusing not only me but members of the press, access to her meetings then that minister does not have the vaguest understanding of the democratic process.

An hon. Member: We allow you in here.

Mr. Bell: She insulted the minister but he did not know it.

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FISHERIES

FRESHWATER FISH MARKETING CORPORATION—REQUEST THAT COMMITTEE BE GIVEN TERMS OF REFERENCE TO CONDUCT INQUIRY INTO OPERATION

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question to the Minister of the Environment relates to the fact that

in the last sitting of this parliament the Standing Committee on Fisheries and Forestry unanimously passed a recommendation that an inquiry be conducted into the operations of the Freshwater Fish Marketing Corporation. In view of the fact that the government of Canada has now asked other participating governments to share in the payment of the loss incurred by that corporation, would the minister at this sitting of the House bring forward a reference to the committee so that the investigation referred to can be conducted, thus assisting the provinces in making a decision with respect to requests for money?

Hon. Jack Davis (Minister of the Environment): Yes, Mr. Speaker. I might comment that it would be helpful if the province of Manitoba would make its contribution so that we do not have to cut the price of fish to fishermen.

* * *

• (1140)

[*Translation*]

FINANCE

MORTGAGE INTEREST RATES—POLICY OF CENTRAL MORTGAGE AND HOUSING CORPORATION—GOVERNMENT POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask a question of the hon. Minister of Finance.

Since the Central Mortgage and Housing Corporation has suggested that borrowers find other sources of financing for the purchase or construction of houses, is the hon. minister aware that the corporation asks 9½ per cent interest rates while chartered banks such as the Provincial Bank of Canada now ask 11½ per cent interest rates? Does the minister believe that the Central Mortgage and Housing Corporation should be more lenient in approving housing loans?

Hon. John Turner (Minister of Finance): Mr. Speaker, I think that this question should perhaps be put to my colleague, the Minister of State for Urban Affairs who is responsible for the Central Mortgage and Housing Corporation.

In any case, I believe that the number of new houses in Canada is increasing since the present annual rate is close to 300,000 despite the fact that the cost for borrowers keeps rising.

Mr. Caouette (Témiscamingue): I would like to ask a supplementary question, Mr. Speaker.

I am not asking the hon. minister how many houses are being built nor how many will be built. I only ask if the department has any control on the 11½ per cent interest rate charged by chartered banks, while the Central Mortgage and Housing Corporation asks 9¼ or 9½ per cent?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the Central Mortgage and Housing Corporation is a Crown corporation whereas chartered banks are regulated by the Bank Act. It is impossible, under the present act, to limit that rate of interest.

[Mr. Rowland.]

Mr. Caouette (Témiscamingue): I would like to put a last supplementary, Mr. Speaker.

Can the minister tell us why CMHC asks borrowers to seek out other sources of funds, sources which are considerably more costly that those of the corporation itself?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am not directly responsible for the corporation; my colleague might perhaps be willing to give the hon. member that information.

* * *

[*English*]

VETERANS AFFAIRS

WAR VETERANS ALLOWANCE—REQUEST THAT INCREASE IN OLD AGE PENSION BE ADDITIONAL

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is to the Minister of Veterans Affairs. In view of the recent announcement of contemplated increases in October for those receiving old age security, is it the intention of the minister, and will he take the necessary action, to ensure that the increased amount is exempt for those veterans receiving War Veterans Allowance who are also qualified for OAS/GIS?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I would inform the hon. member that veterans have not been forgotten. We are preparing legislation for those receiving OAS/GIS, as well as other items that came to my attention previously.

REQUEST THAT INCREASE IN DISABILITY PENSION BE ADDITIONAL TO WAR VETERANS ALLOWANCE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A supplementary question. The minister is becoming very qualified in being evasive. In view of the fact increases were announced for those receiving disability pensions and those receiving partial disability pensions, will the minister consider giving these people the advantage of an increase in disability pensions so they will not lose the benefits, however derived?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the present situation is that disability pensions have to be assessed as income. Some people receiving War Veterans Allowance do receive disability pensions. If the disability pension is high enough, they do not qualify for War Veterans Allowance.

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THE CANADIAN ECONOMY

NEED FOR NEW FISCAL POLICIES TO AID SLOW GROWTH AREAS—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Prime Minister. It is supplementary to those asked earlier by the hon. member for Calgary North. In view of the fact that present restrictive fiscal policies on run-away inflation are exacerbating the dif-

ficulties of slow growth regions in this country and defeating the aims and objectives of the Department of Regional Economic Expansion, will the Prime Minister be announcing new initiatives, and I underline the word "new", to correct this situation? Perhaps even an equal pay for equal work policy for employees under Treasury Board jurisdiction would help.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am afraid there is no announcement to be made on that today.

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GRAIN

SHORTAGE OF FEED GRAIN IN ATLANTIC AREA—REQUEST FOR RELEASE OF GRAIN IN POSITION FOR EXPORT

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I wish to direct a question to the minister in charge of the wheat board. Inasmuch as the farmers in the Atlantic area are paying approximately $10,000 per day for unusual transportation costs to get grain in the Atlantic area where it is needed, and since that supply of grain is estimated to be available only until the end of next week if the transportation system of Canada is not in operation by that time, will the minister consider releasing grain presently allocated for export to farmers in the Atlantic area and any other area where it may be required?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the question is not only hypothetical, but includes events which I hope will not come to pass. I would inform the hon. member that the Canadian Wheat Board has already adopted the practice of making grain available to people in the domestic area who need it, even though that grain was intended for an international buyer who is standing by waiting for it. They have already been following that practice, although the price has been higher than that which the domestic user would ordinarily pay for his grain.

Mr. McCain: Did the minister say yes or no? I would like him to say yes.

Mr. Lang: Mr. Speaker, I said the wheat board has already been doing what the hon. member has asked us to instruct them to do.

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HEALTH

REQUEST FOR ASSISTANCE TO ALLIANCE FOR LIFE

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is to the Minister of National Health and Welfare. In view of the fact that abortions have tripled in Canada in the past two years and are now 10 per cent of live births, why does the government refuse to provide financial assistance to Alliance for Life, which is a national, non-denominational, pro-life movement working to provide positive alternatives to the abortion problem?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I received notice of that question this morning from the hon. member and I will consider his representations, but I think that I can immediately answer by saying that it is not the policy of the government to subsidize either organizations advocating abortion or those against it.

[*Later:*]

[*English*]

Mr. Roche: In his reply, the Minister of National Health and Welfare said that the government would not subsidize movements for pro-life. Why do they persist in that policy when they have subsidized movements for abortion through LIP grants? I have received positive proof of this.

Mr. Speaker: Order, please. I suggest to the hon. member that is an argument in support of his question.

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CAPE BRETON DEVELOPMENT CORPORATION

REQUEST FOR EXAMINATION OF DOCUMENTS PRESENTED IN COURT CASE

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Justice. Will the minister undertake to examine documents presented in a recent court case by the Cape Breton Development Corporation and also examine the evidence given before a parliamentary committee in order to determine whether the Cape Breton Development Corporation is in contempt of parliament or in contempt of court?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I will be glad to look into the matter.

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UNEMPLOYMENT INSURANCE

ALLEGED DENIAL OF BENEFITS TO RAILWAY EMPLOYEES LAID OFF AS RESULT OF STRIKE—REQUEST FOR INVESTIGATION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have a question for the minister responsible for the Unemployment Insurance Commission. In view of the fact that certain railway employees who have been laid off by the rail companies because of the strike, but who are not participating in the strike, are being denied unemployment insurance benefits because of information which has been given Unemployment Insurance offices by the railway companies, will the minister investigate this situation and make sure that this practice is discontinued?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, we are examining all categories of employees who are affected to differentiate between those directly involved in the labour dispute and those who are not. Instructions will be issued shortly to clarify this matter.

Mr. Rodriguez: Will the minister inform the House whether the Unemployment Insurance Commission is planning to make a blanket decision concerning all railway employees not involved in the strike based on the word of the companies?

Mr. Andras: No, Mr. Speaker. There will be a much more thorough investigation of the situation than that suggestion implies.

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INCOME TAX

REGULATIONS COVERING MANUFACTURERS AND PROCESSORS—REQUEST FOR TABLING AND PRINTING IN "HANSARD"

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance. Will the minister advise whether his department has completed drafting the regulations for the income tax reductions for those engaged in manufacturing and processing, as passed by parliament earlier this session? Have the regulations been published? If so, will the minister have a copy tabled in this House and printed as an appendix to *Hansard* so that it will have the widest possible distribution?

● (1150)

Hon. John N. Turner (Minister of Finance): Yes, Mr. Speaker, the order in council imposing these regulations has been passed. It was published yesterday or the day before, and each member should have a copy. In any event, if the House were so disposed I would have no objection to following the hon. gentleman's suggestion.

An hon. Member: It will appear in the *Gazette*.

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CANADIAN CONSUMER COUNCIL

REQUEST FOR STATEMENT BY MINISTER ON NEW APPOINTMENTS TO COUNCIL AND POLICY

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Would the hon. gentleman explain why no appointment of an executive director to the Canadian Consumer Council has been made and when such an appointment will be announced?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): I expect to be presenting recommendations to my colleagues shortly concerning new appointments to the Council.

Mr. Speaker: I hope that between now and the end of the question period we can limit supplementaries, because we are running short of time.

Mr. Lawrence: One supplementary, Mr. Speaker. Will an announcement or policy statement be made on Tuesday, or whenever the economic anti-inflationary package of the government is to be announced, and will a statement respecting the Consumer Council and the work it was doing be included in that package?

Mr. Gray: I cannot give that assurance, Mr. Speaker.

* * *

GRAIN

ALLEGED INABILITY TO MEET EXPORT DEMAND—SUGGESTED REPORT FROM WHEAT BOARD

Mr. Gordon L. Ritchie (Dauphin): Mr. Speaker, my question is directed to the minister in charge of the Wheat Board. In view of reports that export possibilities for Canadian grain far exceed our ability to fulfil them, has the minister requested any assessment of the situation from the Wheat Board?

Hon. Otto E. Lang (Minister of Justice): I discuss the grain situation with the Wheat Board from time to time. Certainly the world demand for grain, particularly for certain types of grain such as Durum is presently very strong indeed. The two limitations which constantly arise are the availability of particular supplies and the availability of transportation and handling facilities in a particular period.

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FINANCE

SUGGESTION MINISTER ASK BANKS TO INCREASE EMPLOYEES PENSIONS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Finance. In view of the minister's acknowledgement of the healthy state of bank profits, will he urge the Canadian Bankers' Association to deal more fairly with former bank employees and substantially raise pension rates which are now quite inadequate having regard to the cost of living?

Hon. John N. Turner (Minister of Finance): I would be glad to transmit that representation both on the hon. member's initiative and on my own.

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AIRPORTS

PICKERING—DATE OF ANNOUNCEMENT NAMING BOARD OF INQUIRY

Mr. Norman A. Cafik (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I have a question for the Minister of Transport. On July 27, the day the House adjourned for the summer recess, the Acting Prime Minister indicated the government would take advantage of the recess to appoint the three-man inquiry board into the Pickering airport question. Is the minister now in a position to make an announcement and tell us the names of those who are to be appointed to the board?

Hon. Jean Marchand (Minister of Transport): I hope that today or tomorrow or at the latest on Monday I shall be in a position to announce the three names. I am just waiting for written acceptance of the mandate we want to give.

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THE CANADIAN ECONOMY

REQUEST FOR OUTLINE OF GOVERNMENT PROGRAM TO DEAL WITH INFLATION—POSSIBILITY OF A BUDGET

Mr. David MacDonald (Egmont): Mr. Speaker, my question goes back to the questions posed originally by the Leader of the Opposition and the answer given by the Prime Minister yesterday with respect to the hardship caused by inflation and the programs to be introduced by the government next week. Could the Prime Minister tell us whether these programs will deal in a comprehensive way with economic policy and whether the government has sought new economic advice having regard to the disastrous nature of the advice it has been receiving in past years, and, in particular, whether the government is giving serious consideration to introducing a budget shortly in the hope of establishing a more effective economic policy than the one presently being followed?

Right Hon. P. E. Trudeau (Prime Minister): I understand the hon. member to have made a series of representations. I will consider them.

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EXTERNAL AFFAIRS

SUGGESTION FRANCE BE ASKED NOT TO SEND REPRESENTATIVES TO MEETING IN CANADA IN VIEW OF MISTREATMENT OF CREW OF "GREENPEACE III"

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the fact that we expect four members of the French Assembly to visit this House next week, and in view of the fact that pictures show that the French government lied to Canada about the boarding of the *Greenpeace III*, has the minister asked the French government not to send representatives to this meeting until it owns up to the fact that its men illegally boarded one of our ships and beat up our sailors?

Hon. Mitchell Sharp (Secretary of State for External Affairs): On the contrary, I would think that this afforded an excellent opportunity for all members of parliament to impress on members of the French Assembly the justice of our case.

An hon. Member: Why don't you do your job?

Mr. Speaker: Order. Hon. members will recognize that there have been no supplementaries to the last three or four questions because we have reached the end of the question period. I was anxious to give the hon. members for Egmont, Ontario, Fundy-Royal and Northumberland-Durham a chance to ask questions. Perhaps there will be

an opportunity for hon. members to ask remaining questions and supplementaries another day.

Mr. MacDonald (Egmont): On a point of order, Mr. Speaker. Both yesterday and today we have attempted to determine from the government whether it intends to introduce a package of economic proposals, but so far the Prime Minister has refused to tell us whether or not this will be the course to be pursued. If parliament is to deal effectively with measures to be introduced next week, the Prime Minister has a responsibility to give us some indication of the policy to be pursued by the government.

[*Later:*]

Mr. Reynolds: On a question of privilege, Mr. Speaker. I know we would all like to get on with the business of the day, but the Secretary of State for External Affairs has told us there would be an opportunity to make our views known. Would he agree to set up a meeting so that the members from British Columbia could be sure of getting an opportunity to express their views?

Mr. Speaker: Order. If the House wishes the minister to respond to the question I would have no objection, but that is not a question of privilege or a point of order. Members will recognize that there is a responsibility resting on the Chair to call orders of the day when we reach the end of the question period. When I allow additional questions beyond the time allocated by the rules I always hope there will be no supplementaries. The hon. member rose on an alleged point of order to ask what is really a supplementary question. However, as I say, if the House so wishes the Secretary of State for External Affairs may reply.

Mr. Sharp: I wish the hon. gentleman had been more consistent, but I am glad he has come around to my point of view that it is worthwhile maintaining these contacts. I will see what can be done to facilitate a meeting.

Mr. Lawrence: On a point of order, Mr. Speaker. Would it be possible for the government House leader or for the Prime Minister to tell us why it would not be possible to give first reading today to the government bills dealing with inflation and the economy in order that members of the House might have an opportunity to study these matters over the weekend and perhaps facilitate the passage of the legislation next week?

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

MAINTENANCE OF RAILWAY OPERATIONS ACT, 1973

MEASURE TO PROVIDE FOR RESUMPTION OF OPERATIONS AND SETTLEMENT OF DISPUTES

The House in committee on Bill C-217, to provide for the resumption and continuance of operations of railways and

for the settlement of the disputes with respect to terms and conditions of employment between railway companies and their employees—Mr. Munro (Hamilton East)—Mr. Laniel in the chair.

Mr. MacEachen: Mr. Chairman, I should like to rise on a point of order. Yesterday it was indicated by spokesmen for the various parties that there might be amendments forthcoming to clauses of the bill. It would be helpful if those amendments could be laid on the table as early as possible in order that members might have an opportunity to study them.

● (1200)

Hon. members will recall that it was necessary to suspend the sitting of the House for two hours in order to study the contents of the bill. It may be that some of the amendments will have as broad implications as the bill itself, so if it were possible to have the proposed amendments laid on the table as early as possible that might remove the necessity later in the day of asking for a suspension of the sitting in order to consider them. I make that suggestion at this point, Mr. Chairman.

Mr. Baldwin: Mr. Chairman, we would be glad to facilitate that suggestion and do what we can to advance the progress of this bill and other proposals that may be made regarding times of sitting. If we can obtain royal assent today, I feel very strongly that in view of the unfortunate confusion of the Prime Minister and the government as to what we will be considering next week, we should get something done this week.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): With respect to the point of order raised by the President of the Privy Council, Mr. Chairman, I am not quite sure of the answer just given by my friend, the hon. member for Peace River.

An hon. Member: That is normal.

Mr. Knowles (Winnipeg North Centre): I might say that we have amendments to a number of clauses, and we are prepared not only to lay them on the table but to read them out at this point so that members of the committee will know what we propose as the various clauses are considered. If that is the wish of the committee, I can read them now.

Some hon. Members: Agreed.

The Deputy Chairman: Order, please. Is it agreed that the Chair receive the proposed amendments and read them to the committee?

Some hon. Members: Agreed.

The Deputy Chairman: I assume that this would not exclude the possibility of further amendments. Is that agreed?

Some hon. Members: Agreed.

Mr. Baldwin: Mr. Chairman, if the hon. member is so proud of his amendments that he wants to table them, that is fine. We have undertaken that we will disclose our amendments in ample time to facilitate the discussion this bill requires, but we are not going to be forced into precipitate action.

[Mr. Speaker.]

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, in view of the request of the President of the Privy Council, and in view of the discussion raised with respect to this matter, I would ask for the privilege of reading the amendments we intend to propose now, or of submitting them to the Chair on the understanding that the Chair will read them, putting them on *Hansard*, in order that members will know what we propose.

Some hon. Members: Hear, hear!

Mr. Baldwin: Mr. Chairman, I rise on a point of order in relation to this matter. When the first speaker for the NDP makes his speech, he will be entitled to put on the record such amendments as the rules of this House allow or in respect of which this committee gives its consent.

Mr. Diefenbaker: Mr. Chairman, I feel this is totally irregular. We will have an opportunity to speak about this general matter when it comes before the House this afternoon. The request which would enable the government to ascertain in advance what the amendments will be indicates that the President of the Privy Council is more concerned with finding out what the amendments will be than he is with following the ordinary procedures of the House.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: As for myself, I was here last evening; I did not know a vote was going to be called and I left at 9.30, having been here all day.

An hon. Member: Some contribution.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Chairman, would this gaggle of geese be quiet?

Some hon. Members: Hear, hear!

Mr. Diefenbaker: If not, would they identify themselves?

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I want the opportunity, Mr. Chairman, of dealing in general with a matter that concluded altogether faster than it should have last evening. I am not criticizing in any way the fact that a vote took place on this matter, but this is a matter which deserves to be considered fully by this House and not rushed through. I intend to have my say in connection with this bill which represents the stand of the government after weeks of indecision, finally having been pushed into action.

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Chairman, on the point of order that has been raised, I merely wish to inform Your Honour and members of the committee that I have sent to the Minister of Labour a set of the amendments we propose to move, in order that he and the officials may study them. I think it would be worth while to have them read to the committee, but I do not think we ought to continue to take up time on this procedural point.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: What wonderful co-operation between the government and the NDP!

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Chairman, on the same point of order, I endorse entirely what the right hon. member for Prince Albert (Mr. Diefenbaker) has just said.

It is evident there was some collusion between the New Democratic Party and the government to present immediately at this stage of the debate amendments recommended by the NDP.

Mr. Chairman, one can fool everybody for a certain time but one cannot fool everybody all the time. And it is exactly what the New Democratic Party is doing now with the Liberal government.

The Deputy Chairman: Order, please. I do not want to limit the remarks of the hon. member on the point of order but I think it is a matter the committee must settle as soon as possible and as there is no agreement, the Chair will be forced to invite hon. members to debate clause 2 without delay.

[*English*]

Is the hon. member rising on a question of privilege?

Mr. Lewis: Yes, Mr. Chairman, I rise on a very important question of privilege.

Some hon. Members: Oh, oh!

Mr. Lewis: I realize, Mr. Chairman, that every court has its jester and every parliament has its clown.

Some hon. Members: Order.

Mr. Lewis: I want to inform the leader of the Social Credit party that what he has just said is a total falsehood—

Some hon. Members: Oh, oh!

Mr. Lewis: —as are most of his remarks in respect of the NDP here or elsewhere in this country. I said, if I may complete my question of privilege, I had sent a copy of the amendments to the Minister of Labour, as I believe it is appropriate to know what is before this committee and so he can decide whether any of them are acceptable, as all of them may be.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Speaker, I want to make some comments on the same question of privilege.

The leader of the New Democratic Party (Mr. Lewis) has just stated that the amendments are already on the minister's desk. I agree, but his party did so at the request of the government; this is the way it goes.

[*English*]

The Deputy Chairman: Order, please. There does not seem to be unanimous consent in respect of distribution. Whatever is done outside this House or the committee does not concern the Chair. I shall call clause 2 immediately, and invite hon. members to make their speeches and discuss whatever points they wish, as the clause is broad enough to cover many items.

[*Translation*]

The hon. member for Lotbinière (Mr. Fortin) is rising on a point of order.

Mr. Fortin: Mr. Chairman, I rise on a point of order.

Under our rules, the hon. President of the Privy Council (Mr. MacEachen) proposed an unusual way in respect of amendments; the hon. member for Peace River (Mr. Baldwin) was right in rising against it as did the right hon. member for Prince Albert (Mr. Diefenbaker) and as we did, because it is not the usual procedure. In view of what has been said, Mr. Chairman, I feel that we contravened the Standing Orders because we supposed that the amendements have been tabled in order to improve the situation and expedite the business of the House. I would like the hon. member for York South (Mr. Lewis) to tell us, if he is honest, why we did not receive a copy of those amendments if he wished to accelerate the business and obtain our co-operation.

• (1210)

[*English*]

On clause 2—*Words and expressions.*

The Deputy Chairman: Is the hon. member rising on a point of order?

Mr. Knowles (Winnipeg North Centre): No; I am rising to speak on clause 2 of the bill.

The Deputy Chairman: Order, please. The Minister of Transport.

Mr. Marchand (Langelier): Mr. Chairman, I think the last few minutes of the time of this committee were lost, because you can be sure some of the amendments which I have read will never be supported by this government. So if there was collusion, it was not between the NDP and the Liberal government. Mr. Chairman, I have a very simple philosophy which I think is the truth. The NDP, until it is not in its political interest, will support the government: until then it will not overthrow the government, so let us stop this talk.

We do not have to be grateful to the NDP, and they do not have to be humiliated. I think it is a normal political game. Everyone knows about it. If we did not have such an urgent problem facing us, I might take more time on this subject; but now I wish to speak about the problem before this House, which is a very important problem for the workers, for the public, for the government and for this House. I think we are setting a precedent here. It would be interesting for all parties to know exactly what we are doing and what will be the consequences of what we

propose. Therefore, I shall not necessarily discuss all the objections I have heard and other matters which are not related to the problem before this House, such as inflation, interest rates, unemployment and the people who are caught in Sydney and Port aux Basques.

Mr. Diefenbaker: Those things do not matter to the government.

Mr. Marchand (Langelier): Yes, they do matter; but they are not problems that we will solve with this bill. I should like to talk about this bill, why we are taking this position and why I believe it is not wise to adopt any other procedure without taking into account at this stage which positions of the parties are just and which are not, because I do not think this body has been or is constituted in order to solve this type of problem. This does not mean that the unions are wrong. It does not mean that the railways are abusing the employees. It just means we are not in a position to pass judgment on the merits of the question. We have not been set up for that.

Just to give a short history, Mr. Chairman, we might consider how wages, outside of interventions of government in respect of minimum wages and regulations, are set in Canada. The general rule is through free collective bargaining in which the employers try to get together with the unions. If they do not get together, of course, there is a strike or a walkout. This is the general rule.

How is the level of wages established? Is it according to a certain rule of justice, as I heard yesterday? No. It is according to the strength of each party. I have been in that trade all my life. I was involved in certain strikes where the justice of the cause was very clear, and we lost. I was involved in others where it was less evident, and we won. Why? Because we were weak in the first case and strong in the second. This is the way disputes are settled. They are not settled according to certain criteria or principles known or accepted by everybody. It is free bargaining. In certain cases and in certain provinces there is what is called compulsory arbitration. What we call the right to strike has been removed, or is never given. Elsewhere we have what is called binding arbitration. This is where a judge says this is or is not the truth, and the problem is solved in that way.

Many strikes in this country have gone on for months and months. I think some have lasted as long as seven or eight months. Parliament has never been convened nor have any provincial assemblies been convened in these cases. The fight has been carried on in the streets in an effort to reach an agreement. Why are we here dealing with this problem? We are here because of the very nature of the activities of the railways. When there is a strike, it is not only the employers and the employees who are fighting one against the other; the public is involved. Here, as a government, we must try to find a procedure whereby the public does not suffer. This is the only reason. The right to strike is not at stake at the moment. We may discuss it at another time.

I notice that all parties, including the NDP, agree we should do something to compel the men to go back to work. Everybody recognizes it is the duty of parliament to send the men back to work. Even in the proposals of the NDP which I have seen, this is included. Of course, the conditions may differ. This is what we should discuss. If the NDP had really adopted a socialistic attitude, they would have been opposed to any kind of settlement legislated by this House.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): There is agreement because they are in politics. I recognize that. I know the general public of Canada says, "Well, this is enough", so we have asked parliament to reconvene to try to find a solution. Of course this is not a normal procedure; it is not normal bargaining between the parties. The parties have been negotiating together for months, the railways and the unions, and they know something about the problem. They were not successful. A conciliator was called in. He was not successful. There was a board of conciliation of three men, one representing the employees, another representing the employers, and a chairman who according to the law is supposed to be a neutral party. They could not get together.

Then a special conciliator, Mr. Justice Gold, was appointed. He could not get the parties together. So we come to this House and say, "We have the answer. We can solve, not the procedure but the problem itself". I heard a figure of 10 per cent mentioned, and other figures, but I really do not know what the figure should be. Who in the world knows exactly where the truth is on this question?

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): Where are the witnesses we have called, in order to know whether the position of the railways is right or wrong? I do not intend to say they make a profit or do not make a profit. That is not my business. I do not intend to say that the workers are wrong. I cannot say it because I have not been at the negotiations. I was not there when the evidence was produced, and I was not there when the witnesses were heard. How can we, as members of the House, say that this is what the settlement should be? We cannot say that, Mr. Chairman.

• (1220)

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): The only reason we are here is that this is a national emergency, and the only thing we can deal with is this emergency, not the disputes between the parties.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): We know that these men have been waiting for months and months. Usually in the past the House has accepted as a base either the majority report or the report of the judge. This has not been accepted as a solution but, rather, as a basis. I do not know personally whether Mr. Justice Munroe was right. Perhaps if I had been there, my judgment would have been different. I am told that another judge made a different decision with regard to shopcraft employees. Nobody knows the eternal truth in this matter. There are conflicts of interest here, and we have to base ourselves on something. So the judge's report appears, according to our laws and accord-

ing to the philosophy recognized by all governments, as the safest basis from which to start, and on this basis we should try to reach a final settlement.

We say that Mr. Justice Munroe is supposed to be impartial according to our law. Maybe his report is not satisfactory. Since he brought down his judgment, very important events have taken place in Canada in reference to the cost of living, and productivity may have changed. So instead of saying that we will legislate Mr. Justice Munroe's judgment, we say that his report will be our basis for a return to work. Now we will nominate an arbitrator who will look after those points which have not been considered. We, as members of the House of Commons, cannot do what the NDP is proposing and say we will just take as a basis one of the minority reports which represents the interests of the employees. Perhaps Professor Weldon is right. Perhaps, if I had studied the case, I would have agreed.

Some hon. Members: Oh, oh!

An hon. Member: Why don't you read it?

Mr. Marchand (Langelier): Don't be childish. You can please a small group on this.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): I will go further and say that perhaps the employers' report is the one to consider. I do not know. We are not here for that. Who knows this, honestly, in the House? Perhaps some hon. members such as the hon. member for York South do know, because he has been involved with these problems for a long time and he has his own opinion on the merits of the matter. I would have liked to represent this group, but I did not so I do not have an opinion and I cannot, as a legislator, say that this is what the truth is in this case.

I think the only thing we can say is, let us try to legislate on the basis of the report of the chairman. I do not know if my memory serves me well, but I think it was in 1966 that the hon. member for York South presented an amendment, in the same circumstances, introducing Mr. Justice Munroe's proposal as a settlement of the railway strike. I will check that and see whether it is so. Anyhow, it does not matter.

Mr. Lewis: The amendment was accepted.

Mr. Marchand (Langelier): If the judge was right at that time, why do you think he is wrong today?

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): These are very special cases. Perhaps we should work to find better formulas. A few years ago we had the Woods report. I am not ready to accept it, and I am sure my friends in the NDP do not accept what has been recommended in it. Nor does the labour movement. So we have not found a formula.

An hon. Member: How do you know?

Mr. Marchand (Langelier): This is not an ordinary dispute, and the reason for the intervention is economic and social, not to settle the dispute between the parties. This strike is having an impact on the whole of society. We regret that there are so many people caught in between, that the cattle are not fed, and all the other consequences of this work stoppage. We say: Please, will you go back to work and let us try to find a solution which will be acceptable to you? This is all that we do, and it is the safest thing because from the moment we start to bargain one party will propose 10 per cent in the first year and another will say that 13 per cent is much better. How can you vote against a 13 per cent increase? Another party will propose 15 per cent and will say, "We will give it in the second year" or "We will give you 20 per cent in the second year." Who can vote on that? This is nonsense. We are not organized for that. I know it is painful for the workers and I have much sympathy for them because I have been in these circumstances many times.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): Judge yourselves, and let me judge myself.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): So far as the pension plan is concerned, I have probably done much more than the NDP has in all its life. Anyhow, I am not here for that.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): I have heard all kinds of arguments used, but I will take only two used by the leader of the NDP, arguments which I do not accept. He made reference to a meeting of the union leaders at which they said they will not recommend a return to work.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): I think he should not have repeated that here in the House, not because he would not support it but because it was wrong to have mentioned it. Why did he mention it? To impress us? Do you think I will be blackmailed by that, or the official opposition will be blackmailed? It is not possible. I can understand the unions mentioning it, but I do not understand a political leader who might at some time be responsible for governing this country saying such a thing in the House.

The hon. member for York South used a second argument which I find unacceptable. He said he had heard that the railways were ready to accept Mr. Justice Munroe's proposal, so what we are legislating upon is the employers' position. This is all wrong. I will try to be a little more ethical—

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): —than some others in the House. Personally, some things I will never repeat here because I know that in this kind of bargaining that goes on, sometimes one party will say that if the other party will accept so and so, perhpas they will accept something else. This is the way bargaining is done. To say that at one moment one of the parties said—

Mr. Lewis: I rise on a point of order, Mr. Chairman. I think that the minister, in his eloquence—

An hon. Member: Struck home.

Some hon. Members: Hear, hear!

Mr. Lewis: —did not bother to check what I said. I did not say anything about what anyone said in the negotiations. I said that two or three days ago the railways had announced publicly their acceptance of the Munroe report.

Mr. Marchand (Langelier): Even if this is true, you can have the reverse situation at one moment but I do not think it would change the position of the House. When there are three reports, one must try to bring the parties together on the recommendation of the third party, and if the third party accepts it one would find that it was in his interest to say yes. Maybe they agreed because they knew the other party was refusing. This I do not know, but I do not want to discuss it and I do not think we know all we need know in order to judge the merits of the case.

● (1230)

I was accused by my friend, the hon. member for St. John's East, of being responsible for the strike because of the announcement regarding a freeze on freight rates a few months ago. Of course, immediately before that he had said we had not done anything to counter inflation. Nevertheless, because he had said that, that is, with regard to imposing a freeze as a move against inflation, we had become responsible for the strike. As his leader has proposed to freeze all rates, all prices in Canada in the same situation, therefore, he would have been responsible for all strikes in Canada. However, that was the hon. member's position.

I do not know of all the amendments that are to be proposed in this House, and I am not going to say blindly that anything that should be proposed should be discarded. I am not that kind of fanatic. If there are amendments the value and consequences of which we can see immediately, they might be acceptable in the interests of the country. Nevertheless, I say that from the moment this House starts negotiating it would be the worst employers in Canada. I believe that.

I know, and I am speaking in my capacity as Minister of Transport, that those men who have been in real trouble and who have been fighting for what they thought was justice still have their problems. For example, there are men who have been laid off because of the stoppage of work resulting from the rail strike. I think the companies should take care of those men and give them the same protection as the others enjoy, because they were the victims of this whole business. I hope the companies are going to do that. As far as job security is concerned, I think we are going to give these men all guarantees possible, but we will not guarantee that there will be exactly the same number of workers forever employed by the railways of Canada.

An hon. Member: Who asked for that?

Mr. Marchand (Langelier): All right. I think the men should have some kind of security. I hope that in this way we can give it to them, and I hope I am doing my utmost to bring that about.

[Mr. Lewis.]

What I want to convey to this committee, Mr. Chairman, is that it is very easy for those outside of this conflict to cry out. I know that many people in Canada are in a bad situation and have bad working conditions. The unions are fighting to improve those conditions, and I am going to support them. However, when we talk as an institution, what can we do in this dispute? What is the best procedure so that we do not become involved in a lot of problems which we are not competent to tackle and which may lead to worse problems?

As far as the workers are concerned, they have my support and I hope they understand that. Of course, the NDP have always believed that only they deserve the support of the workers. That view is too bad, because it is not right. I say that this is an institutional problem, first. We know the circumstances surrounding the problems which have faced the workers for a few months, and that is why we say that an arbitrator is going to take care of them and, hopefully, solve them.

[*Translation*]

Mr. Chairman, I feel it will be easier in French—I even noticed several statements which are not connected with the issue of railway employees. At the moment, the danger is that some people try to mingle the railway employees' issue and many other problems that the House will discuss, but the case of railway employees cannot be mixed up with other real problems. That is why we want the House to deal with that issue; we must solve that problem and attempt to find an acceptable solution.

As to the possibility . . .

[*English*]

May I say in English that I do not think the workers are going to refuse to go back to work. I am sure they will go back to work. If they are not going back to work, of course this parliament will have to see if there is a government in this country. We will have to decide that, because this is a very serious matter. I understand that many militants will be reluctant to return to work. I know that when we fight a cause like this we are so deeply involved that we cannot change our minds overnight. This I understand. I understand the reticence of those people. I hope they will understand that what we are trying to do is in the best interests of the country and in their own best interests.

Mr. Stanfield: Mr. Chairman, may I first, without any condescension, compliment the Minister of Transport for his eloquence in a language that is not his first language.

Some hon. Members: Hear, hear!

Mr. Stanfield: He speaks almost as well in English as I speak in French!

This parliament, as it resumes sitting, has three clear responsibilities before it. It must, of course, deal with the government's legislation that is now before us. Parliament must deal in as fair and humane a manner as possible with this matter and, within the constraints of that consideration, we must deal with this matter expeditiously. And, because this is part of a larger piece, when this first priority is met, parliament must demand that the government immediately bring forward other urgent and necessary measures to afford some relief to those Canadians who are already in desperate circumstances as a result of

the government's miserable and ineffective approach to the rising cost of living.

Some hon. Members: Hear, hear!

Mr. Stanfield: As a third responsibility, we must demand from the government a comprehensive program that will deal effectively with the cost of living and restore some stability and order to the economic life of this country. I emphasize these matters at this time because they are all part of a piece. These three responsibilities must be met by this parliament. They must be met quickly. If this government thinks that parliament will settle for anything less, or that Canadians will accept anything less, the government is in for a shock as well as a shaking.

Surely we did not come here to order others back to work and then go back on holiday ourselves. We are not here just to deal with this emergency situation, although that is our first priority. Surely, Sir, it would be an act of brazen callousness for this government to run away from its responsibilities, and it would be a faint-hearted parliament—indeed, a chicken parliament—that would let the government get away with it if that is what the government tried to do. We are here to get the trains moving again, but we are not here just to get the trains moving again—we are here to try to get the country moving again in the right direction.

● (1240)

I realize that having parliament in session at the end of August instead of on October 15 will create some discomfort and in some quarters some danger and difficulty. There is the discomfort of the government being confronted by parliament as further reports are forthcoming from Statistics Canada on the cost of living or on unemployment conditions in the country. There is the discomfort, if not the inconvenience, of the government being obliged to produce legislation, announce its plans and reveal its intentions to parliament. That is very, very much a part of the emergency that we are discussing here today. Presenting such a program may be a difficult thing to do, especially when there is no legislation and no plan. But the presence of parliament can serve as the conscience of the government and perhaps even as an inspiration to the government.

We are here to face our responsibilities in the public interest. I have outlined three of them. Of course, I believe—and I know that more and more Canadians are subscribing to the belief—that parliament has another responsibility as well, a responsibility to deny continued confidence to a government that sits on its hands, very content with itself, while the most serious bout of inflation psychology in recent memory takes hold and wreacks its terrible consequences. My party will accept that responsibility too, and there will come a time shortly for a test of confidence. The government cannot put that off too long. In the meantime, we will deal with our responsibilities in priority as we see them.

Our first responsibility and the first priority of this House, the legislation dealing with the railway dispute, is a matter that summons feelings of disappointment and regret, I know, for all members of the House. An intervention of this kind is an occasion that must have a deeply sobering effect on anybody who values our system and our institutions, as I am sure the Minister of Transport does. We are faced with this responsibility because, as the minister recognizes, the broader public interest demands our action to meet a national emergency.

Members of my party have agreed to support such action, but we will not support what we feel is insupportable in regard to the interests of simple justice to the workers who will be affected by the actions we take. Neither do I intend to imply support on a carte-blanche basis for any omissions in this legislation which, if corrected, we feel would contribute to reaching as fair a judgment as we can make.

I want to assure you, Sir, and all members of this House that my party will accept and support the will of parliament on the final form of the legislation as it is adopted, and we will expect and insist that the railways and the workers do likewise.

Some hon. Members: Hear, hear!

Mr. Stanfield: I should like to turn now to the general field of labour relations in essential industries and services, as I did in this House a year ago almost to the day. At that time parliament had been recalled to deal with a dock strike. It was another occasion of regret, as this one is today, when members said then, as we say now, that we have to find a better way. The Canadian public surely despairs that parliament has not yet found a way to bring an end to recurrent assaults on the broad public interest. Patience with our failure to do this is virtually exhausted among the public. There is no excuse for this inaction and there can be no allowance for further stalling on the part of parliament. It has been demonstrated once again, at great cost and great suffering, that the strike as a weapon and the lockout as a weapon are unacceptable in this kind of situation.

Some hon. Members: Hear, hear!

Mr. Stanfield: They are weapons that in certain circumstances of public interest are not available, and therefore must be abandoned and replaced by something better.

There are those—and the number always swells when an emergency such as the present one is upon us—who strongly urge a return to simple compulsory arbitration. I view this with reluctance. A move to such automatic over-all compulsion could raise as many new problems as the old ones it would solve, and it could have a very damaging effect on the attitude of both management and labour.

I want to see us avoid a move to automatic, across the board compulsory arbitration in this kind of situation if at all possible. But let there be no delusions about one thing: we must act quickly, because continuing emergencies such as the one we are faced with now will certainly generate a public outcry for total compulsory arbitration for settling disputes in the public service. Let us not kid ourselves about that. In the immediate aftermath of settling this strike in parliament we may well have our last opportunity to institute other alternatives for settling disputes in essential industries and services.

In the course of the present non-ops dispute one new technique, the technique of selective strike action, was attempted. As a variation of the rotating strike approach applied to the national railway system it was indeed something new to be tried on the side of labour. In the absence of any other mechanisms or processes it was an attempt at some form of innovation. It was coupled with some assurances that essential goods and foodstuffs would continue to move.

When the House took recess, this process was under way and my party did not call for an immediate, legislated settlement of the dispute. We were prepared to see this new approach given a trial, and we simply demanded that the government accept its responsibility to move the process to mediation and then to use the office of the Minister of Labour in seeking a settlement. The minister, as it turned out, ended up generating something new in labour relations himself. For the first time we had the spectacle of a windmill tilting at people. That, of course, is beside the point now. The point is that a new approach, could not in fact be maintained and events again brought us where we are today, taking emergency action after the fact and after enormous damage has been done. Let us resolve not to keep following this futile and damaging script in the future. The integrity of parliament itself demands nothing less than a change.

Some hon. Members: Hear, hear!

Mr. Stanfield: I appreciate that it is a very serious matter to remove strike and lockout opportunities from the collective bargaining process, even very selectively. But I appeal to the good will of workers particularly to recognize that until some better, over-all system is devised this is the only honest approach. Railway workers have already recognized that in fact they do not really have a strike weapon in any event. It is axiomatic that to conduct an effective stoppage, the fact that it is effective makes it quickly intolerable in the broad public interest, so the railway workers do not have a strike weapon, in the effective sense, anyway. Let us try to seek justice and fairness for them in some other kind of process.

Some hon. Members: Hear, hear!

● (1250)

Mr. Stanfield: The policy which my party advocates and which we would implement in government involves adopting the recommendation, which the Minister of Transport says is not acceptable to him, in the 1968 Woods report, namely, establishing a public interest disputes commission. In our approach, the commission would advise which particular services are essential. It would also recommend procedures for resolving differences where the broad public interest is threatened, and would report to the government at all stages of contract negotiations. We would insist on negotiations throughout the term of a collective agreement, instead of relying upon talks just prior to the termination of a contract and after a contract expires.

Some hon. Members: Hear, hear!

[Mr. Stanfield.]

Mr. Stanfield: All reports of the independent public interest disputes commission would be public. The recommendations of such a public body would have a degree of moral force that would make anybody, employer, union or government, think twice before ignoring them. Parliament would be asked to consider recommendations of the commission relating to essential services where strikes and lockouts are unacceptable in the public interest, where they must be replaced by mediation and arbitration proceedings and the recourse of subsequent appeal to parliament as a final step.

A public interest disputes commission reporting and recommending to the government and parliament could well have had a major role in generating support for a move back to some more useful guidelines in connection with the incomes of railway employers. There could possibly be a move back to something like the durable goods standard as a basic guideline for wage settlements on the railways. I just cite that as an example; I am not suggesting that should be the guideline in this case. Conciliation members and mediators cannot function in the same kind of public way as could a public interest disputes commission. I do not say that this is a magic wand but I can see that in this situation, for example, such a commission could have played an active and constructive role in anticipating difficulties and in trying to resolve them long before the contracts were to expire and long before the difficulties which resulted in a work stoppage came to a head.

Some hon. Members: Hear, hear!

Mr. Stanfield: While I am in no way claiming that this approach is a cure-all, I say it is unquestionably better than what we have now. It deserves a sincere trial. In government, we would give it that trial and continue to refine it in the interest of the country. I repeat, the government has displayed contemptible complacency in not taking any innovative or imaginative action.

Some hon. Members: Hear, hear!

Mr. Stanfield: That is one reason we are back here today, faced again with this kind of difficulty as a result of the government's incompetence and lack of concern for the real interests of the country.

I want to make a few rather specific comments about the bill. I accept the general principle laid down by the Minister of Transport as to our responsibility. This was emphasized very effectively yesterday by the hon. member for St. John's East, namely, that we are not here to write a new contract for those involved; we are here to deal with this emergency and provide a basis upon which the railways can again start to operate.

On the matter of further negotiations, we feel that a realistic and firm time limit should be imposed with regard to negotiations, bargaining and arbitration. The parties in the dispute are near accord on a number of items which make up the collective agreement, so this should work no hardship. In the public mind, the imposition of such specific deadlines in the bill would have an appearance of orderliness.

My understanding is that the representatives of the union feel it would be a waste of time to be sent back to the bargaining table when, after being there a long time, they have not made any progress. There should be a definite limit on the time in which the bargaining can be strung out. We will, therefore, be moving an amendment to include in the bill a specification of durations for the ongoing periods of negotiation and mediation.

If developments proceed to the point of having an arbitrator appointed by cabinet, we feel there should be an opportunity for review and debate by parliament of the developments that have ensued to that point. Accordingly, we wish to see in this bill a clause such as was in the 1966 bill. This would provide such an opportunity. That clause provides for ten members of parliament bringing about a discussion following the appointment of an arbitrator by the minister or by cabinet. This is not a novel suggestion; it was in the 1966 bill.

On the matter of wages, we are not negotiating an agreement but, rather, back to work terms as the hon. member for St. John's East emphasized yesterday. He expressed the principle that governs the amendments we will propose. That principle involves building into the bill a protection to ensure that any settlement adequately takes into account increases in the cost of living as they can be more realistically projected since the time the members of the conciliation board drafted their reports earlier this year. In imposing a settlement, this parliament can do nothing less than provide that kind of insurance.

Some hon. Members: Hear, hear!

Mr. Stanfield: Above all, we must recognize we are imposing a floor below which any final wage settlement cannot fall. I repeat, we are not here to impose the final settlement but to impose the floor. If that floor is not realistic, it may have an adverse effect on the attitudes of trust and good will that are necessary to set the stage for a satisfactorily negotiated final settlement.

At this exciting point, Mr. Chairman, may I call it one o'clock?

The Deputy Chairman: It being one o'clock, the committee will adjourn until two o'clock this afternoon.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

Mr. Stanfield: I do not want to be difficult, Mr. Chairman, but I have some remarks to make which I should like the Minister of Labour in particular to hear. I do not know when we may expect his arrival.

The Deputy Chairman: Is the Leader of the Opposition asking a question?

Mr. Stanfield: I was just wondering whether we might wait for the Minister of Labour to get here. I realize, of course, that the government House leader is a former minister of labour and is familiar with these matters, but I think it would be helpful if the Minister of Labour were here to listen to some of the suggestions I am about to make.

Mr. MacEachen: I understand the Leader of the Opposition's concern. I have just come from a meeting with the Minister of Labour. I hope my colleague will be in the House almost immediately and I will send him a message to that effect.

Mr. Stanfield: When I broke off at one o'clock I was emphasizing again, as some others have done, that we are not engaged here in working out a final settlement of the dispute but that we are, rather, involved in proposing a floor below which any final settlement may not go. I was emphasizing that such a floor must be a realistic one so that it would not have an adverse effect on attitudes of trust and good will which are necessary to set the stage for a satisfactorily negotiated final settlement.

Parliament, through the actions and the policies of the government of the day, does bear a responsibility for the general economic position of the country. With conditions as they now exist with regard to the cost of living and the escalation of the cost of living, parliament cannot simply pass the buck to the parties in the dispute, or to a mediator or arbitrator, without some clear expression and direction of the matters for which parliament is responsible, that is to say, the cost of living. This is particularly necessary when we are dealing with an imposed floor, that is, a floor proposed by parliament, an imposed back to work arrangement covering a two-year agreement. With the cost of the living picture as it is today, the amendments we will put forward are designed to see that parliament accepts its responsibility in this regard.

With respect to the second year of the contract term proposed in the bill, we will attempt to assure some cost of living protection by putting forward an amendment which would instruct an arbitrator to produce a final settlement which could be no lower than the percentage floor set by the legislation, plus a revised cost of living projection component based upon the most recent figures available to the arbitrator when the matter comes to arbitration. This would involve some consultation between the arbitrator and the members of the original conciliation board to ascertain the cost of living components which were in their recommendations as they relate to the second year. It is my recollection that for the year 1973 they were working on a basis of a cost of living factor of about 4 or 5 per cent; but I am now talking about the second year, the year 1974.

We are disturbed that in the bill as it now stands there is a better second year floor for the shopcrafts and the UTU than is provided for the non-ops. As a union might see it, there is a poorer second year provision for the non-ops than there is for the shopcrafts and the UTU. Surely if we are concerned about fairness and the necessity to avoid unnecessary bitterness, we cannot allow the bill to become law in the form in which it presently stands, particularly as it is the non-ops who would sustain the loss of recourse to strike action under the law as it now exists. To give them a lesser, or poorer arrangement for the second year than their brothers in the other two

bargaining groups would seem to me to be a travesty of justice.

The shopcrafts and the UTU are provided a floor of 6½ per cent and 1½ per cent for the second year, an effective average increase in the second year of 7¼ per cent over the first year. The non-ops, on the other hand, are provided with a floor of 5 per cent and an additional 3 per cent for the second half of the year, an effective average increase of 6½ per cent for the year 1974 as opposed to the 7¼ per cent proposed for the other two unions. The floor provided in the bill for the first year is essentially the same in respect of the three unions, except that in the case of the non-ops it is in cents whereas in the case of the other two unions it is in percentages. So it is evident that the non-operating unions are offered in this bill as it now stands a floor that is lower than for the other two, and this should be changed. Our proposal, in the form of an amendment, would call for the second year floor for the non-ops to be as good or no worse than the floor for the other two unions, and this would involve 6½ per cent and 1½ per cent for the non-ops.

• (1410)

Mr. Munro (Hamilton East): Mr. Chairman, would the Leader of the Opposition permit a question? I am not arguing at all with the figures he has pointed out in reference to the second year, but it seems to me, again, that we are dealing with what the chairman of the conciliation board did in respect of the shopcrafts as opposed to what was done by the chairman in respect of the non-ops. If we can assume, and perhaps we can straighten it out this afternoon, that the arbitrator will make his award prior to the end of this year—we certainly hope that will be the case and will undertake to see that it is done—perhaps that would be satisfactory.

Mr. Stanfield: That is hardly a question, Mr. Chairman. I recognize this does involve some departure from the recommendation of the chairman, and I do not want to be critical of Mr. Justice Munroe, but I should point out that while the judge said he was awarding a 17 per cent increase to the non-ops over two years, that is correct if you compare the December 31, 1974, rate he recommended with the average non-ops wage for the year 1972, but if you compare the December 31, 1974, rate as he recommended with the December 31, 1972, rate it is only about 15 per cent.

I do not want to get involved in the recommendations of the chairman of the conciliation board in respect of the non-ops arrangement, but I am saying that this House should not impose a poorer settlement for the second year on the non-operating unions then we are providing for the other two unions, regardless of what difference there might be in the recommendations of the chairman of the conciliation board.

Actually, as the minister well knows, the scale of pay for the other two unions is substantially higher than for the non-operating unions, and even the same percentage increase gives them more in terms of dollars. The bill the minister puts before the House not only gives less in terms of dollars but a lower percentage increase, and I do not think he can justify that. I hope the minister will accept my point of view in that regard. The point I was making is

that we have to propose as good an arrangement for the non-operating unions for the second year as we are prepared to give the other two unions. I emphasize that fact.

In summary, the effect of our proposal in relation to the floor for the second year, 1974, would see a floor for all workers involved in the legislation of 6½ per cent and 1½ per cent, which is no worse than provided for the shopcrafts and UTU, plus a revised cost of living component to be determined by an arbitrator. We frame the cost of living aspect in terms of a direction to an arbitrator simply because this is the most simple and efficient method of inserting the principle into the bill. In other words, if the principle and the resulting improved floor are guaranteed to be available at the end of the ongoing negotiation line, they will automatically be presumed all along the line.

What we shall propose is that the percentage increase for the year 1974 should be no worse for the non-operating unions than the government is prepared, as indicated in the bill, to allow the other two unions, plus instructions to the arbitrator with regard to the cost of living component for the second year.

As to the first year, 1973, which we are now over halfway through, we consider we should continue to apply the principle that the cost of living component should be included. This was emphasized by the Minister of Transport this morning as being something which would have to be considered in the course of negotiation or arbitration. I am proposing that we are far enough along in the year 1973 to assess this ourselves for the year, rather than leaving it to arbitration and negotiation. In line with the principle I have expressed, we are far enough along in the year now for parliament to set its own revised cost of living component and make it part of the defined floor in this legislation. The board of conciliation worked on the basis of the cost of living factor in 1973 being close to 5.5 per cent. Clearly, the cost of living factor for 1973 will be about 1 per cent above that, and 1 per cent in terms of these average wages would amount to about 4 cents.

Therefore, in line with this principle which has been generally endorsed but which the government wishes to leave to conciliation and arbitration, we believe we are far enough along now in the year for parliament to assess this itself. We feel we should realistically establish the floor at 34 cents, and that this figure should replace the 30-cent floor figure which is now in the bill. I say that recognizing that the escalation of the cost of living will be about 1 per cent higher than the figure on which the board worked.

I emphasize that such action could in no way be construed as taking sides or attempting to make a final settlement judgment here in parliament. This would simply be parliament, in this case, accepting its responsibility in regard to the extraordinary cost of living situation which now prevails in the country.

I also assure the House that there is nothing intended in my approach to be considered as engaging in an auction. I agree wholeheartedly with the Minister of Transport that we should not be in an auction game in this House. At the same time, I appreciate that the government is virtually bound to bring in a bill in line with the recommendations of the chairman of the conciliation board and this is what the government has done. At the same time, I have heard

both the Minister of Labour and the Minister of Transport say they are assuming that a final settlement would have to take into account, regardless of any other components, some component of adjustment for the rising cost of living over and above the floor figure now in the bill. I would hope, therefore, that these ministers and indeed all members of the House will be able to support our amendments giving effect to an assurance of such an additional cost of living component in the final form of this legislation.

With regard to the other two unions, the increases there in the first year are in percentage terms, and that would have to be left to further conciliation and eventually arbitration if it comes to that. I am suggesting that for the non-ops, for 1973, we recognize the fact that the cost of living escalated faster than envisaged at the time of the conciliation report. Above all, I am emphasizing that the floor we propose for the non-operating unions should be no worse than the arrangements we propose for the other two unions.

● (1420)

We feel these proposals would have a salutary effect on the employees concerned. Surely this is a very important consideration both in ensuring an orderly return to work and setting the stage for ongoing negotiations. We believe that parliament would be doing no more than it should, in line with its limited role at this time, in supporting our amendments. We also believe that in doing so it will be doing what it indeed must do in the interests of justice in imposing a settlement at this time. These amendments will be presented formally, in detail, as the committee stage proceeds.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, when I indicated this morning that I wished to speak on clause 2 of this bill my purpose at that time was to have something to say about railway pensions and in particular to make a direct appeal to the Minister of Labour in connection therewith. I still intend to do that, but before I do so I should like to say a few words with regard to the impassioned speech of our good friend, the Minister of Transport, which was delivered before the luncheon break. Some of my colleagues are asking whose friend he is. By his own definition, he is a friend of the workers; he sympathizes with their case and he gives them his full support. He said so.

However, I want to say that I fully agree with the Minister of Transport that legislation forcing workers back to work is an anathema to all of us who believe in the principles of free collective bargaining. He said that this morning and gave us a bit of a lecture. I remind him that that is one of the reasons for our vote last night against this bill, as indeed we have voted no on a number of previous occasions when we have had bills which legislated workers back to work.

In his speech this morning, the Minister of Transport insisted that the floor of parliament is not the place to legislate a collective agreement. I hear one of my Tory friends say "Right on". I agree, Mr. Chairman, but the fact of the matter is that this bill, Bill C-217, which was given approval in principle last night by a majority of this House, Liberals, Tories and Social Crediters all in the same bed, does in fact legislate an agreement in so far as wages are concerned for our railway workers.

An hon. Member: It does not.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): The Minister of Transport shakes his head and I hear mutterings from that other good friend of the workers, the hon. member for Hamilton West. I say that with the same generous tone of voice as when I said that the Minister of Transport is a friend of the workers.

May I point out that for many months the railway companies have been holding back, knowing that they did not have to agree to a settlement because by experience they knew the government and parliament could be counted on to bail them out. So there has been no real collective bargaining. This bill which the government brought in, which has the support of the Conservatives and Social Crediters, specifies certain wage rates. They are in terms of cents per hour for one group and in terms of cents per hour, mileages and percentages for the other two. Then it provides for some more negotiating, the same process that the employees and the company have been through for months. And behind, or on the other side of that so-called negotiating is provision for mediation and for an arbitrator. I submit that the same railway companies which held back and refused to bargain in good faith when they were in the collective bargaining process will do the same again.

The railway companies know that all they have to do is wait and say nothing until the Minister of Labour, under the law, refers the matter to an arbitrator. Although the arbitrator might give the employees one, two or three cents more, they know they will not come out of that arbitration with anything that is substantially different from what is set out in this bill. The employees, by this bill supported by the other three parties in this House, are called upon to go back to work on the terms of this inadequate settlement.

Mr. Munro (Hamilton East): Mr. Chairman, may I ask the hon. member a question?

Mr. Knowles (Winnipeg North Centre): Gladly.

Mr. Munro (Hamilton East): As the hon. member knows, this bill follows the usual pattern. It does indicate that prior to the appointment of an arbitrator there can be negotiations between the parties. It also indicates there can be further mediation. This action can be very quickly discharged and they can move into arbitration very rapidly indeed. I take it that the hon. member has looked at that, and if he wishes to make any suggestions concerning how we might move into arbitration quite quickly, which in my view would be in the interests of the workers concerned, this indeed would rule out the validity of the point the hon. member makes about the companies stalling any longer.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I shall not argue with the minister whether that is a question, but I submit that the minister missed my point altogether. He thinks I am asking for arbitration to be brought on more quickly. Not at all. I say that when

arbitration comes, whether sooner or later, it will result in a decision which is in practice dictated by this bill. The arbitrator may get in somewhere, for example, between the 30 cents in the bill and the 38 cents suggested by Professor Weldon, but past experience says the companies will know they have everything to gain just by holding back. The point is that this bill is legislating a collective agreement for the workers and railway companies.

I have no objection to the interruptions, but I hope that I shall have 20 minutes from each time I am interrupted.

Mr. Marchand (Langelier): I promise the hon. gentleman that this is the only time I shall intervene. The hon. member for York South did it once while I was speaking, and I am asking for the same privilege. What we are proposing is exactly what you are proposing. The only difference is that you start from the Weldon report and we start from the report of the chairman.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I thank the minister for pointing out that the only difference is that the government is proposing an inadequate settlement and we propose an adequate settlement.

Some hon. Members: Hear, hear!

● (1430)

Mr. Knowles (Winnipeg North Centre): We did not ask for this collective agreement to be legislated by parliament. The government made that decision and received the support of the other three parties in the House. Now that parliament has committed itself to dictating an agreement to the parties, we contend that we have the right to try to improve that agreement. That is why we are prepared to suggest 38 cents an hour to the non-ops, plus 10.8 per cent in the second year, and comparable changes with respect to the other groups.

May I say, Mr. Chairman, that experience has shown to management that it can count on parliament to bail management out. If there are members in the House in other parties who wish that this kind of thing did not happen, and who wish that parliament did not have to deal with railway strikes, may I suggest that one way to put a stop to it would be to give the workers, by the power we now have to legislate their agreement, the amounts for which they are asking—more, if you will. It will be a long time again before the companies let a dispute come to parliament.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): If they discover that for once in history parliament came down on the side of the workers instead of on the side of the companies, they would think twice in the next negotiation before holding back the way they have been doing every two years since 1950 when we had that first terrible experience. So we agree with the Minister of Transport that parliament should not legislate a collective agreement. But parliament, by the vote of the other three parties, is doing just that. We say that if we are doing it, we should legislate an agreement that is fair.

The Minister of Transport had a good deal of fun this morning and, like the Leader of the Opposition, I enjoyed his speech and confirm that it was eloquent and in the best tradition. He also enjoyed taking my leader to task in two or three respects.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): My leader is like all the rest of us; we like it when attention is paid to us. This morning one of the points the minister made was that in 1966 the hon. member for York South made the same kind of pitch that we are making now, namely, that the agreement should be improved. Specifically, what the hon. member for York South was asking on that occasion was that the rates of pay in the second year of the contract should be improved.

What did we get in response to that? We got a wonderful, strong, eloquent and impassioned speech by the present Minister of Transport, making the same arguments he made this morning to the effect that we should not be legislating an agreement on the floor of the House. It was a strong speech. What happened? He took his seat. He was hardly comfortable in his seat before the prime minister of the day, Mr. Pearson, rose and accepted the terms of the proposed amendment put forward by the hon. member for York South and, since it had to be moved from the government side, arranged for it to be moved by Mr. Nicholson, the then minister of labour. So I suggest to the Minister of Transport that it is probably fortunate for him this afternoon that the present Prime Minister is not in his seat, lest he do the same thing Mr. Pearson did, namely, pull the rug out from under the Minister of Transport.

This morning the minister also chided the hon. member for York South by referring to his wisdom and knowledge in knowing what the wage levels ought to be. He contended that none of us in this place knows what the wage levels should be. He said he did not know; he professed his ignorance to the country. But I remind him that this bill has been brought in by the Minister of Labour, the head of the department which has all the facts, figures and statistics that can possibly be collected, and I submit that the Department of Labour is probably in a better position than any other body in the country to know what is a fair and reasonable settlement of the railway workers' wages. For the government, through the mouth of the Minister of Transport, to use as an argument against producing better figures the fact that he does not know what they should be is just silly.

The other charge which the Minister of Transport made against my leader was that there was something sinister and unfair about his referring to the announcement last evening by the leaders of the non-ops to the effect that if the bill, as the government has brought it in, is passed they do not feel that they can order their workers back to the job. For some reason or another we are not supposed to mention that. It is the same Minister of Transport who said that what we are here for is to legislate an emergency, to legislate an end to the railway disruption, to get things moving again. Surely it is the part of common sense to bring in the kind of bill that will do that. Surely it is the part of common sense not to say you are being blackmailed when the facts of life are being put before you and when you are brought face to face with the fact that the

kind of bill the government is trying to put through will not do the job for which it is designed.

What the Minister of Transport says is the government's purpose is to legislate the emergency out of existence. I submit, therefore, that the case that we have been making from this side is a valid one. We do not think this matter should have been brought here at all, but it is here and it is a case of legislating a collective agreement. Right now this job is on parliament's shoulders. Someone said, quite appropriately, let us do it well. Let us bring in the kind of agreement that will be fair to the workers, that will encourage them to go back to work and also that will discourage the railway companies from holding back in all future negotiations, counting on parliament to bail them out.

Mr. Chairman, I do not know from which of the interruptions you started counting my 20 minutes, but I see that my time is running out so I had better get to the subject on which I wanted to speak.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): My friends need not indulge in that kind of discourtesy. They know that in committee of the whole one can speak times without number, and some of us are capable of it. But I do want to say a few words on the subject of railway pensions, which was my main purpose when I rose this morning and unsuccessfully sought the floor.

Yesterday in his speech the Minister of Labour announced the appointment of Dr. John Deutsch as commissioner, under part V of the Canada Labour Code, to study a certain aspect of railway pensions. We welcome this appointment and we approve of the person who has been named to do this job. We are pleased that that action has been taken. But I want to register a strong complaint at the narrowness of the terms of reference given to Dr. Deutsch and I appeal to the minister either to give him another set of terms of reference or, if he wants to give it to some other person, to appoint another commissioner.

Let me try to express this as quickly and as directly as I can. The job which the Minister of Labour has given to Dr. Deutsch is simply to assess the cost or the value of the pension changes that have been agreed to between the unions and the companies, the unions claiming that they represent a cost factor of 2.2 per cent, the companies claiming that they represent 4.3 per cent. This is a dispute that certainly should be settled by an independent person, and we find Dr. Deutsch to be such an independent person. I hope that if he finds in favour of the unions, or if he finds a figure somewhere in between, the terms of reference of the commission are such that the advantage thereof will be given to the workers in the wage settlement.

● (1440)

Mr. Chairman, that is not enough at this stage of the game with respect to railway pensions. I know the minister said yesterday that the pension agreement arrived at between the union and the company is an historic one, and so on. I know there is a lot to be said for it, but there are two things that stand out as deficiencies. In the first place, for some of those now at work, some of those not yet on pension, I do not think the deal is as good as it is claimed to be. This applies especially to the old timers, especially to those who were working for either of the major railways prior to January 1, 1956.

The new 2 per cent per year formula is there for those whose entire employment has been since 1956. I am not going for the moment into the Canada Pension Plan arrangements, which raise other questions, but for those whose employment goes back to a time prior to January 1, 1956, there is a deficiency. They will not get a pension of 2 per cent for each year of service. So I say quickly, but say it to have it on the record, that I do not share the complete satisfaction of the minister and some of the union representatives with respect to the deal so far as the present workers are concerned.

There is another group we must think of, those already retired, or those who were retired at any time prior to January 1, 1963. For them there is nothing at all in this pension agreement. There is not even any guarantee that the 2 per cent ad hoc increase that Canadian National has been giving from year to year will continue to be given. So this whole area of railway pensions, Canadian National, Canadian Pacific and those of any other companies that are in the group, needs to be gone into thoroughly by a man like Dr. Deutsch or some appointee who is given the same kind of job. I see the minister getting to his feet.

May I spell out one or two things. I suggest that either Dr. Deutsch's terms of reference should be broadened or that additional terms of reference should be given to someone else. I think the whole question of the amount of money in the various pension funds should be gone into and how much the railways have put in, as well as whether they have kept their agreements. I think the whole question of the rate of pension, the 2 per cent formula, and whether it is right to limit it only to those who have been in service prior to this year and since January, 1956, should be gone into.

As well, the question of widows' pensions and whether they should remain at 50 per cent, be increased to 65 or even 75 per cent, or even more, should be gone into. These are all problems which we need to examine. Likewise, the question of the annual escalation of pensions needs to be gone into. A few years ago the 2 per cent annual escalation started and it is a fetish with which we are stuck. We are gradually getting rid of that. We got rid of it from the old age security pension and the guaranteed income supplement. We got rid of it from war veterans pensions and war veterans allowances. However, it is still there in the Canada Pension Plan and all sorts of pensions coming under the government. It is still there, though on an ad hoc basis, in Canadian National pensions; and, of course, the CPR is lagging behind.

I do not want to run the risk of the Minister of Transport telling me that we are trying to negotiate railway pensions here in committee of the whole House. I have suggested areas which need to be looked into. I am as certain as that I am standing here that there is just as much concern about this among those now working for the railways, those who would get the benefit of the new contract, as there is among those already retired. I am glad to see the Minister of Labour nodding his head in the right way. I am glad to see he wants to ask me a question. My appeal to him is that he find, either by appointing another

commissioner or broadening the terms of reference given to Dr. Deutsch, a way for bringing about a complete and thorough examination of railway pensions right across the board, with a view to a way being found to make those pensions more fair to all retired railway workers, both for those now retired and for those who will retire in years to come.

Mr. Munro (Hamilton East): Mr. Chairman, may I make a short comment on what the hon. member for Winnipeg North Centre has said. Speaking in terms of the pension benefits themselves which the hon. member mentioned, as he is aware this very significant improvement was made as of March and it was agreed to by the union leadership and the companies. If there is to be further examination of that along the lines that the hon. member has suggested—and I think it was a fair and legitimate observation on his part—I think the union leadership and the companies should get together and conduct further discussions along those lines. But I doubt, again, whether anything tangible along that line can be done in this committee. If it should appear at a subsequent time, and after talking to the unions concerned and management, that a separate study might be of assistance to both sides and should be conducted under the auspices of another commissioner, we would be prepared to consider that.

May I add this. The hon. member indicated that he thought the terms of reference for John Deutsch were too narrow. I think he was speaking of the costing arrangements. As hon. members will recall, yesterday I indicated that his findings would be turned over to the arbitrator, assuming that an arbitrator is appointed under the act, and would be taken into account in the determination of all other issues before the arbitrator, including wages. However, if the hon. member is of the view that his terms of reference should be extended so that we may do this more adequately, I am quite agreeable to that. I am receiving now suggestions as to how those terms of reference might be expanded and I hope to be in a position later this afternoon to let the House and the hon. member know what will be the extended terms of reference for John Deutsch.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, may I ask the minister a question? I appreciate what he said about the breadth of the terms of reference given to Dr. Deutsch, and I am glad to know that any deficiencies will be covered. When I said that the terms of reference were too narrow, I was not thinking that they were too narrow with respect to the assignment made to him. I was pleading that they were too narrow because of the other problem which needs to be investigated, namely, the rights of those already retired.

May I ask the minister this: does he not realize that although the unions representing the workers may want an inquiry into the Canadian National and Canadian Pacific pension fund with respect to the value of the changes they have won, there is another group for which, surely, the minister is responsible, the retired railway workers? They do not sit at the collective bargaining table. Their pension position is not negotiated. That is why we think there ought to be a special inquiry for them. I ask if the minister will give that matter very serious consideration and make arrangements for such an inquiry, across the board, right away.

Mr. Munro (Hamilton East): Mr. Chairman, I think I made the necessary distinction. I realized that the hon. member was talking more about the benefit side when he was referring to another commissioner. Notwithstanding the agreement reached between the union leadership and the companies in March, I am prepared to meet again with leadership and with management to hear their views and then set up an appropriate device by which the objectives the hon. member has spoken about might be obtained. I am prepared to do that, but I do not think that can be done today.

I say, although this is not directly related to the hon. member's point but is of interest to him and his leader, I think, that the terms of reference given to John Deutsch with respect to the manner in which the costing will be done will be gone over before the matter of the arbitrator comes into question. That aspect we are looking at today and I hope to have some further elaboration on it this afternoon.

An hon. Member: Mr. Chairman, may I ask the minister a question?

The Assistant Deputy Chairman: Order, please. I must remind the hon. member that the hon. member for Winnipeg North Centre had the floor for almost three extra minutes. I understand there is an arrangement that we hear speakers from each party in the first round. I think questions and answers should be short, especially after the first round. The hon. member for Lotbinière.

● (1450)

[*Translation*]

Mr. Fortin: Mr. Chairman, we have listened with interest and attention to the opinions expressed in this House since the beginning of the special debate on the railway dispute and it leaves us perplexed.

The present situation throughout Canada requires—we agree unanimously on that—immediate action on the part of the federal government. The economic situation is so much more precarious that several other major problems are involved and are creating discontent, tensions, strikes and even sometimes anger and violence throughout Canada.

The House has been summoned to an emergency session to force 56,000 workers of the Canadian National Railways to return immediately to work, thus taking away from them the right to strke that the same Parliament had given them previously. Parliament had given the right to strike to the workers in the public sector. Yet every time that the situation grows worse, that the negotiations do not produce results, that we come to a dead end, an emergency law, a special law is adopted by the House to take away their right to strike and force them to return to work. Instead of improving, and this is specially the point I would like to make, the mechanism of negotiation, instead of promoting permanent negotiations of labour agreements, instead of establishing in advance a labour tribunal or a permanent arbitration mechanism, and on this question I differ with the Leader of the Opposition

(Mr. Stanfield), representing fairly all the different interests, the government, for reasons which are of course obscure or political, gives the right to strike to the public sector, lets the situations rot to the point that they create a national crisis requiring emergency legislations and then in the same breath, takes away the right to strike.

Mr. Chairman, I wish to object strenuously against that philosophy of the working world, those evasive procedures of the present government before labour problems in general. I demand a long-term labour policy governed not only by a proper up-to-date labour code, but especially through permanent bargaining mechanisms for the renewal of collective agreements and above those mechanisms a labour court representing the various interests involved and this, Mr. Chairman, not only to solve the problems of the CNR employees but also those existing in other sectors of the public service where public interest is more often threatened.

The basic reasons which led to the introduction of the legislation are evidently plausible: the rotating strike since July 26 has shaken up the Canadian community. However, since August 23, this national strike, as mentioned by the minister, has jeopardized the welfare of the nation by isolating the Maritimes, let alone the many manufactures and companies which have been compelled to dismiss hundreds of employees since they were unable to obtain their raw materials.

Through this bill, Mr. Chairman, we shall force back to work 56,000 Canadian workers who were on strike because both bargaining and arbitration had failed. These workers are asking for a wage increase in order to meet the high cost of living. This is what they are fighting for. Must they be blamed for that? Is the government acting both as judge and employer? To this question fraught with consequences, I shall answer in the affirmative and the negative. Let me explain.

These 56,000 workers are not to blame, not any more than a great many other workers who are fighting with patched-up means, namely the strike, to secure a better income to support their families. They are not to blame because they want to improve their condition. But, under the present system where renewable collective agreements ahve been left to sleep on shelves for a long time instead of being seriously negotiated on a permanent basis, what else can they do?

Mr. Chairman, to my mind, that is the point. If, in the Labour Code, in the mechanisms of the labour world, we had a permanent system of labour negotiations to renew agreements instead of letting them gather dust on shelves for the benefit of private interests, we would not get into the type of difficult situation we are now witnessing.

How much will the work stoppage have cost each one of the railroaders who struck in order to improve their lot? How much will the settlement give them? Was it a profitable endeavour? If I worked for the railroads, if I saw this sitting of the House where in turn hon. members suggest 5 per cent, 3 per cent and 30c. increases, I would be disappointed because those workers are trying to tailor their salaries to the cost of living which is now beyond control.

This House should have but one objective: not only to enable the 56,000 employees of the Canadian railways to tailor their income to the cost of living, but to take steps to ensure that all Canadian workers can do so.

Mr. Chairman, finally, whose interests does this situation serve? Through rotating and full-scale strikes, the workers inadvertently served the interests of finance.

As long as governments tolerate the old-fashioned mechanisms of the world of labour, workers, regardless of what sector they belong to, will run into crying injustice, at times provocation, endless tugs-of-war and especially, constant failures.

● (1500)

Mr. Chairman, here is an important question upon which I urge my colleagues to reflect: Have you ever seen a Canadian worker emerge as a winner in the present bargaining system? Have you ever seen a worker emerge as a winner in the present financial system, in spite of his efforts?

That brings me to say, Mr. Chairman, that the public enemy No. 1, the one that is not talked about in this House, is the omnipresent world of finance that plays around with people like puppets, making them laugh or cry as they wish, dividing them among themselves, setting them up against imaginary enemies when the combines, the monopolies, the big companies—often multinational—protected by governments that indeed they finance continue to dominate our economic, social and consequently political life.

Mr. Chairman, that is the truth. Why do we let labour disputes last so long? Why is it, Mr. Chairman, that companies do not do more in the bargaining process? Why do governments wait until the last moment to intervene? Why do we not bring our bargaining, mediation and arbitration system up to date?

Mr. Chairman, if the 56,000 workers currently involved as the thousands of others in Canada put as much sustained effort in fi⅞ting the present financial system, in fighting high finance as they do in gaining a few cents an hour after months of pressure, wild talks and strikes we would see that the result would not be the same as today.

I will give an example that I consider most important and which is relevant to the subject matter we are discussing. It has to do with the present strike, the current situation, the workers' demands, the increase in the cost of living. Previous speakers talked about tailoring salaries to the increase in the cost of living rather than always having to come back charging. Mr. Chairman, I agree with those proposals. If one looks at the current situation what does one see? Who is gaining from increases in the cost of living?

That is the question which everybody should ask instead of being satisfied with crabbing because we cannot make ends meet or of playing ostrich as this government is doing and blaming it on the world situation only to hope for better days, after studies have been made to see if prices are actually increasing. We have reached an unbelievably ridiculous level.

Mr. Chairman, we have reached a critical point in the increasing cost of living, food, housing or money because of abusive and exhorbitant interest rates and a solution must be found as soon as possible. There are all those

people whose income is frozen and set, all those salaried people have got to a point where it is impossible for them to catch up with the increasing cost of living to satisfy essential needs such as feeding their own families. Nevertheless, it is a matter of essential needs. Why are the railway workers protesting? It is precisely in view of satisfying those needs.

Mr. Chairman, as far as we are concerned, we are not considering the claims of the railway workers for them only, but from the point of view of labour as a whole. The present economic and financial system, which is almost openly protected by governments illustrates best those scandals now described by the newspapers and it is leading us towards a bursting point of society and a struggle for power. This is unacceptable, Mr. Chairman. The primary role of a government is not only to protect public interest, for instance by bringing a rail strike to an end, as we are doing today, but also and above all to allow every citizen to live decently in his country, in all security and freedom of choice.

To deal with the rail strike, which jeopardizes society in general, is, I would suggest, one small item of the situation as a whole. And actually, will the situation of those workers be really settled both by the strike which they called in good faith and by this legislation formulated at the last minute by the government? Will what we are doing here this afternoon really solve the problem? Will we not find ourselves, in one year or even in ten months, in a similar situation as this one today in connection with employees in other areas of the public service or the public sector?

Mr. Chairman, we are not here to defer problems until next year or even later. We are here so solve them. This is what the Canadian public expects of us and it is not by bringing 56,000 workers to heel by telling them you will get so much, or by telling them either you go back to work or you will be penalized according to the Canadian Labour Code that the problem will be solved, because in other sectors of our Canadian economy, there are still cries and requests for reasonable comfort and a sufficient income that allows for the cost of living.

This morning, I heard the hon. Minister of Transport (Mr. Marchand) speak with an unusual eloquence to tell us that we were not here to negotiate, but that the mechanisms should do so. And I will tell him that if we are here it is precisely because these old negotiation mechanisms have not worked and that the first duty of a government is not to tell Parliament "You have no business negotiating", but to create new negotiation mechanisms in order to avoid making fools of ourselves in this House.

Mr. Chairman, as I said earlier, settling the railway strike is a detail, it is only a drop of water that will not quench the thirst of the workers in the country as a whole.

Not very long ago I saw on Quebec television that the provincial minister of labour was facing countless rotating strikes, strikes that have not been settled while heads of families live on miserable strike funds. Entire families can no longer live adequately in their country because mechanisms in the labour field are out of date. Indeed those mechanisms suit, I am sure, certain big financial interests and certain labour leaders.

Mr. Chairman, now is the time to say certain things. Now is the time to realize that the labour world constitutes the basis of our society and that it is not with unemployment insurance or welfare legislation that we shall build a country but with legislation to enable workers to really do their utmost in an atmosphere of calmness and serenity. And in this respect the primary function of a government is to make sure that its labour relations are healthy, productive and that competent work in the industrial and trade fields brings to the worker sufficient earnings to enable him to provide his family with a decent standard of living. Such is the purpose of work, Mr. Chairman. But there is a need to go still further. For the last 25, 50 or 100 years, the income problem of a person has been considered according to the work of that person. Now, Mr. Chairman, with the advent of automation, of technology, that is not valid any more. It is not true any more that work should necessarily be related to income because machinery is a growing substitute for man, because automation is with us for good. One cannot for all that discard the electronic machine and say: "Let us make men work with their hands", just for the sake of providing full employment.

Mr. Chairman, the government's primary duty then is to provide just the same an adequate income to counteract the increase in the cost of living and to enable every Canadian citizen to live in his own country regardless of work since work is no longer a guarantee of income.

• (1510)

The Leader of the Social Credit (Mr. Caouette) was right yesterday when he said that when the workers are talking about job security, they are not really fighting for the job but rather for the earnings that accrue from that job. There are very few people in this House who would work for nothing and it is the same for the population and that is understandable.

Mr. Chairman, there are plenty of contradictions in our society because of our corrupt financial system and the railway strike is an example. I would like to mention some contradictions connected with the railway strike in the present economic situation.

First, while some Canadian workers are fiercely fighting to obtain job security—if it is possible—and for higher wages, other Canadians are forced by the government to refuse jobs because of the rules set by public servants who administer the Unemployment Insurance Act.

While some Canadian workers are fighting for their jobs, others are literally obliged to refuse jobs because of the legislation. In certain fields of work, it is more interesting to draw unemployment insurance benefits than to try to find a job. That is the situation the Canadian workers are faced with: one law for some and another for others.

Here is another contradiction: While some citizens are trying to make both ends meet, the federal government controled and backed by financiers—we should repeat it again and again—lets the Bank of Canada increase its interest rate, its prime rate and consequently allows also chartered banks to raise their interest rates and their profits that the workers and people will have to pay to build a house or to borrow money. In certain areas, Mr.

Chairman, and in some financial or banking establishments, mortgage rates have reached more than 10 or 11 per cent.

Mr. Chairman, at the very moment when such an exploitation of man by finance is encouraged, 56,000 workers are told: Get back home, get back to work, you are endangering society. But for me, I say, as an out-and-out Creditist, that those who are most endangering society are those who now control the increase in the cost of living and who take advantage of it, those who control interest rates and take advantage of it. Those who are most endangering society are not those who come and demonstrate in front of Parliament, but those people who are not seen, those who play with the citizens like puppets.

Mr. Chairman, a special legislation, an emergency legislation should not be necessary to force 56,000 Canadians who are willing to work to go back to work. But there should be one to bring to heel the financial power which controls these governments and the citizens.

Thousands of families are now doing without quality food in Canada—not in communist China—for lack of sufficient financial means when for the past few years governments have been trying obstinately to control and restrict agricultural production, for instance, going as far as penalizing dairy producers for having produced too much, and this while encouraging imports. Today, the awakening is brutal and in the category of farm workers as well as in that of railway workers, operating or not, we have the same situation: they are discouraging individual initiative, they penalize the individual through all sorts of government red tape, inquiries and legislation. Therefore, can we really say whether the Canadian worker is being rewarded for his work? That is why anger is rising in the public sector, among railway employees and why—

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. member but his time has expired.

[*English*]

Mr. Mackasey: Mr. Chairman, I have listened, as have most hon. members, with a great deal of interest to this discussion of the subject matter at hand. I have heard a great many hon. members establish their credentials, quite properly, before participating in the debate. I do not suppose mine are any greater or any less than those of others who have taken part in the debate so far. But I must say that I did work for the railways for 12 years—my father worked for 42 years at Moncton and Quebec—and during the four years I served in the cabinet I spent at least three of them as minister of labour. And during those three years as minister of labour I had the opportunity of participating in the conclusion of several collective agreements involving railway workers.

I am not trying to be rude to anybody in this chamber if I make certain obervations, because they are meant to be just that, and nothing else. I have never been able to understand precisely what it is about industrial disputes that makes everybody an expert. All of us who are involved in labour disputes inevitably find someone, some well-meaning employee, or vice-president of a corporation, who wonders why the whole thing cannot be settled in 20 minutes because the issue appears to be so simple. The reason this is not possible is that you cannot really find answers to these things in books; industrial relations are nothing more than human relations. The Leader of the Official Opposition made a very good speech today along these lines.

My good friend from York South was with me in 1965 when we visited Poland together as members of a parliamentary delegation. I was naive enough to ask the minister of labour in Poland when was the last time they had a strike. The answer was, in 1956. I recalled that in 1956 there was a rebellion not only in Hungary but in Poland when the workers were shot down with machine guns because they demanded a little more in the way of wages.

I take second place to nobody in this House when it comes to concern for the workers. I think I should remind the NDP that they do not have a monopoly of concern for the working people.

Some hon. Members: Hear, hear!

An hon. Member: Look at the bill!

Mr. Mackasey: If hon. members in that corner want to heckle me I could show them a telegram I received during the last railway dispute in 1970. The locomotive engineers announced on a Wednesday morning that they intended to strike on Monday. And the first telegram I got came from the newly-elected premier of Saskatchewan, one Mr. Blakeney, I believe, demanding compulsory arbitration before the strike had even begun.

Some hon. Members: Oh, oh!

Mr. Mackasey: I know the members of this party were shocked at the time. I know the hon. member for York South was as appalled as I was.

Mr. Nesdoly: On a point of order, I should like to remind the hon. member that Mr. Blakeney was not elected until 1971. Mr. Thatcher was in power in 1970.

Mr. Mackasey: The hon. member has drawn attention to a very serious error, not that there was no telegram, but that the strike situation—a strike did not actually occur—arose in 1971 rather than in 1970. Mr. Blakeney was a year older in 1971 and he should have been a year wiser.

I want to say something else while we are in committee of the whole; incidentally I am one who would like to return to the days when we made regular use of the committee of the whole, when we had decent debates and when one could answer questions in democratic, hard-hitting fashion, though never in an insulting way.

Some hon. Members: Hear, hear!

Mr. Mackasey: I want to point out, as an observer, that we have under federal jurisdiction the finest department of labour in the eleven jurisdictions of this country. I wish to make another point also. Sitting at the officials' table is the finest deputy minister the Department of Labour has ever had—and the department was established some 50 years ago.

Some hon. Members: Hear, hear!

Mr. Mackasey: If people think the federal scene is dominated by industrial strife they are not aware of the record of the Department of Labour or of the hard work done by people under this deputy minister—Mr. Wilson, Mr. Kelly, Mr. Gibbons and the other people in the department. I am not making this point idly. I have a purpose in doing so, and I shall come back to it.

The first thing that bothers me—and my feelings are based on the experience I acquired in the few years during which I was minister of labour—is this. Everybody who has spoken so far has been filled with good intentions and anxious to propose amendments or improvements to the bill. If each one of those amendments was accepted then I don't know one qualified arbitrator in this country who would take on the job of settling the rail dispute. For instance, when hon. members say that the collective agreement must include a clause to deal with the cost of living, they are advocating the removal from the workers of a flexibility which is important to them.

An hon. Member: That is what the bill does.

Mr. Mackasey: They may prefer a lump sum payment. And the man who just made that remark shows he knows nothing at all about industrial relations. In recent weeks I have been involved in two labour disputes, one of which was settled by the inclusion of a cost of living clause. In the other case the membership of the union refused the inclusion of such a clause and opted for a lump sum payment instead—as you might have done, Mr. Chairman, if you had been on strike for five and a half months in British Columbia.

● (1520)

Let me make a point which has not been emphasized enough with regard to railroad workers, in an effort to explain what occurred here yesterday. Railway workers by their nature have always been what might be termed the aristocracy of the labour movement. This is natural because a worker in any capacity on the railway requires a particular skill; he must serve an apprenticeship and adjust to a particular environment. You cannot acquire this skill or the ability to adjust unless you work on the railway.

I was appalled in the spring of 1971 to find that a locomotive engineer operating down the Fraser Canyon earned $1800 more than my secretary who types on an IBM electric typewriter. I asked myself where our scale of values was in this particular community of ours.

At one time if you worked on the railway you were a leader in the community, you had the best wages and the best living conditions. Landlords sought you out because you had a guaranteed income. If you had worked on the railroad for 10 years you had seniority for life, and at one time a man who had 10 years' experience received a pass entitling him to travel free of charge on certain trains. Such a man had security until age 65.

That changed in the 1950's when the railways switched from steam locomotives to diesel locomotives. Shortly afterwards we saw the virtual disappearance of blacksmiths and boilermakers from the railways. Their jobs became redundant because the steam engine had outlived its usefulness. We saw patternmakers and moulders, who had spent five years learning their profession, finding their jobs becoming obsolete and redundant. They were unable to work in other aspects of industry because of changing technology.

As a result of this the position of railway employees changed from that of importance in the community, reflected not only in stature but in wages, to a position of something less than leaders in the community. Today an electrician working for the railway might earn $4 and some cents an hour after five years' apprenticeship, covering everything from air conditioning to rewinding motors. Compare that with an electrician in the province of Quebec who, by government decree, will be paid $7.90 in 1975, plus an additional 80 cents toward his pension plan. If you were a railway worker and knew of that comparison, would you be prepared to kick in the doors of parliament? That action was not justified any more than not going back to work will be justified. If the law of the land is wrong in your individual opinion, it is still the law of the land and must be obeyed. The important thing is that we have a democracy, and this brings me to the point I really want to put forward.

On several occasions the Leader of the Opposition, who has shown concern for the working man on many occasions, has emphasized that the Conservative party would establish an industrial disputes commission which, as you know, is one of the recommendations of the Woods Task Force. I do not want to get my dates wrong again and be corrected, but I think the Woods Task Force Report was deposited during Christmas week of 1968. That commission cost the government $2 million. It was composed of leading academics and intellectual experts in the field of industrial relations.

The former leader of the NDP is smiling because he knows, as I do, that in the final analysis you do not settle labour disputes as a result of what is contained in the Woods Task Force Report; you settle them by negotiation.

All an industrial disputes commission, such as suggested by the Conservative party, would do in a democracy—and this is significant—is substitute the judgment of the Department of Labour, the judgment of the deputy minister, the judgment of the assistant deputy minister and the judgment of industrial specialists and branch heads for the judgment of the three-man board described loosely in the Woods Report as being independent.

I do not know whether the three men would be selected from the ranks of labour, but I doubt it. Perhaps two would be employers and one an employee, but more than likely they would be three academics, selected because of their experience and ability in writing on a blackboard.

In any event this commission would have access to a 30-man part-time board which no doubt would be representative of the party in power. If all politicians are as partisan as I, it would contain members from their ridings. Whether they were experts in industrial relations or in some other field, they would have the responsibility of helping this three-man independent commission to substitute its judgment for that of the Department of Labour and its civil servants, and to recommend to parliament the measures it should impose upon the railway workers.

Unfortunately most of the members who come from the province of British Columbia are in the opposition, but they know the results that restrictive labour legislation breeds. Fortunately Judge Parker is no longer in British Columbia, but I suggest it will be years before labour reaction to his restrictive measures in British Columbia will disappear. I hope, for all time now, that that government has finally brought in a decent and civilized piece of labour legislation.

We are elected by the people to make unpopular decisions, and no matter what form this bill takes it will be unpopular with the railway workers of Canada. We assumed the right to stand for office and we must assume that responsibility, but we should not be prepared to cede our responsibilities, on the basis of the Woods Task Force Report, to some independent commission made up of three academics from various universities.

I could recite many statements that have appeared in editorials which condemn this type of strike action on the part of workers in industry. Many statements have been made to the effect that we cannot have strikes in essential industries. Nobody has defined an essential industry, but certainly the railways, airlines and other such industries are essential. Certainly the duties of policemen and firemen are essential.

• (1530)

In 1907 the then deputy minister of labour, one Mackenzie King, made the same statement the Leader of the Opposition made this morning, that when private rights become public wrongs the House of Commons must stand as a man and exercise its responsibility to the general public. It is unfortunate that in reality this legislation, which will be for the general good of the country, will work certain hardships on the unfortunate workers of the railways.

As one who has had some experience in this field I plead with members to stop playing petty politics with a piece of legislation of this importance. We should stop negotiating in respect of 8 cents or 10 cents, and 10 cents or 13 cents or something else. An hon. gentleman made a case for 13 cents, and someone else made a case for 34 cents. I could take productivity figures and make a good case for 40 cents. This will be the arbitrator's job. We do not negotiate collective agreements on the floor of the House of Commons.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. Does the hon. member have the consent of the House to continue?

Some hon. Members: Agreed.

Mr. Mackasey: Mr. Chairman, the hon. gentleman from Ottawa wishes to speak and I promise that I shall not take too long. What I am about to say of course may surprise many. I was never left with the impression during railway disputes, and I was involved in more than one, that the railway companies necessarily hide behind legislation or government action if they can avoid it. As the labour critic of the Conservative Party astutely put it yesterday, there have been two pieces of back-to-work legislation in 25 years. He could have said 75 years, but he started of course from the date of the first one.

The hon. gentleman who is talking from his seat should remember another piece of legislation I have in my memory in respect of compulsory legislation, which would have ordered the dock workers in the city of Montreal back to work. Fortunately that piece of legislation never saw the light of day. The author of that piece of legislation is still a member of this House. I shall not identify him, but he is a member of the New Democratic Party.

When we start throwing stones in respect of our relationship toward the workers we are being hypocritical because few of us worry about the workers. We worry about our political future and what effect our position will have on voters the next time around. The difference between a parliamentarian and a puppet is that one is a man who will get up and vote for unpopular legislation if it is in the general good of this country. I say, leave the bill as it is.

Some hon. Members: Hear, hear!

Mr. Mackasey: The Minister of Labour is a sensitive person who represents a labour riding. Through the many years in which I have known him he has always shown great sympathy for the cause of the labour movement. If you take the legislation before us and couple it with one or two amendments—one that I recommended to the minister and one which places a limit on the time the arbitrator might take—the plight of the railway worker, for the first time in 20 years, may be recognized by the Canadian public. There may be a decent settlement, and should be a decent settlement. But we must give the arbitrator something with which to work. Otherwise the dispute will deteriorate further. That might help us but it will not help the workers. If too much is put in the legislation then we will impede the flexibility of the negotiating team, the flexibility of the mediator and the flexibility of the arbitrator.

If you share Blakeney's philosophy at least have the courage to get up and say what this parliament needs is compulsory arbitration, and that is the end of it. You fellows in the corner know you cannot have it both ways. Every time you try to have it both ways in this House of Commons—I will not say it. You fool nobody. I shall put it that way.

Mr. Chairman, I have gone beyond my time. In conclusion I should like to say we have a piece of legislation before this House, as we had on other occasions such as the waterfront strike, to bring an end to this sorry mess. At the same time it will make it possible for the employees of the railways to come out of this with the advantages they deserve, and the railway companies with an understanding that never again can they hide from or shirk their responsibility to the railway workers of this country. Thank you, Mr. Chairman.

Mr. Howard: On a point of order, Mr. Chairman, I am sure the hon. member for Verdun would not have denigrated my position. I wish he had mentioned my name when he spoke about the introduction of a certain piece of legislation which I, as a private member, introduced. I want to point out to him, and to the House, that at the

time I did that, it related to an industrial dispute on the waterfront in Montreal with which the hon. member for Verdun was quite familiar at that time. I am quite proud of the fact that I did give notice of the introduction of that bill because if I had not done that the damn strike would never have been settled.

Mr. Mackasey: Mr. Chairman, I want to say I am not surprised at the hon. gentleman's intervention. It is typical. He is a courageous member of parliament. He says what he thinks. The point I was making was simply that included in that legislation was an order for the men to go back to work. Am I right or wrong on that?

Mr. Howard: That is why I rose on the point of order. I wish the hon. member had—

The Deputy Chairman: Order, please. The Chair feels that hon. members are raising points of order rather than carrying on the debate. I think we are wasting the time of the House. The hon. member has the right to identify himself but I do not think we should prolong the debate on this matter. If hon. members wish to express views on this matter later they may do so.

● (1540)

Mr. Diefenbaker: Mr. Chairman, thanks to the hon. member for Vegreville who was on the list to speak at this time I am now given the opportunity to speak. I had waited impatiently yesterday and today. I have waited to hear from the Prime Minister. The Prime Minister should make it perfectly clear what the stand of the government is on matters such as this. In every other case from 1950 the prime minister, in connection with matters such as this, has taken a prominent part. Indeed, my predecessor in office did so. He led off, and on one occasion when the minister of labour in my government spoke, the late Mr. Pearson said that the first requisite course to be followed was that the Prime Minister should speak. I followed him immediately, and I pass on to the Prime Minister the examples of the late Right Hon. Louis St. Laurent and the late Right Hon. Lester Pearson. We would like to know where he stands on this matter. He can smirk, I do not mind that.

Mr. Trudeau: We stand together, which your cabinet never did.

Mr. Diefenbaker: He presumes to be an authority on labour, and he was at the bar. It would be interesting to hear him speak and explain the very lengthy delay which has taken place and why no effective action was taken by his government for months and months on end. As late as July 26 the government was still playing around with this matter. The hon. member for Verdun has just spoken. We Baptists have a course that is sometimes followed. When there is a vacancy, or a vacancy is anticipated, individuals come and preach for a call. Having listened to the hon. member for Verdun today, and with the attention that his remarks received from the Prime Minister, I feel sure that he was actually doing that, and the Prime Minister was indicating, by his total indifference to what the hon. member for Verdun was saying, that there is little, or no hope, for the return to the cabinet of the hon. member for Verdun.

[Mr. Howard.]

Some hon. Members: Oh, oh!

An hon. Member: He touched a sore point.

Mr. Diefenbaker: I listened to the Minister of Transport. I always do. He has a way of debating that should be emulated by many of us in the House. He has clarity, a vocabulary, enthusiasm and knowledge, and I am wondering why, after all the blundering and meandering that has been going on for months under the present Minister of Labour, the Prime Minister had not called in the experienced labour leader, the present Minister of Transport, to give him and the government some ideas as to what might be done to prevent this strike.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: He has the answers. He has the experience. He has the knowledge of the NDP that no other member of the House has. He is able to expose their weaknesses because it is not too long ago that he was weaned from that party.

I listened to the hon. member for Winnipeg North Centre today, and I can only say that there was about his address that unctuous attitude that only in that party resides a feeling for the people of Canada and for the labour men of Canada.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: That is what they feel, and they applaud the statement. I am glad to have their approval. It is passing strange that with all their knowledge of the subject today British Columbia is simply inundated with strikes.

Mr. Broadbent: Not one.

Mr. Diefenbaker: The hon. member from Ontario is one who does not know anything that is going on in British Columbia.

An hon. Member: He does not even know what is going on in Ontario.

Mr. Diefenbaker: But why do they not apply in the province of British Columbia the vast knowledge that they have in the settlement of labour disputes? It is not a simple matter, but the responsibility for what is before us today rests on the government of Canada. They are responsible for their failure to act in connection with inflation, and I want to make that very clear.

One of the best articles that I have read lately on the subject of labour appeared in the July 30, 1973, issue of *U.S. News and World Report.* There appeared an article on an interview with Peter J. Brennan, U.S. Secretary of Labour, who had been a most distinguished leader in union circles in the United States. In answer to one question he pointed out the reason for the strike mentality, and indeed the need sometimes for entering into the strike world on the part of labour. The question was:

> Why aren't the unions pressing for larger pay increases in view of what's been happening to the cost of living?

His answer was:

I can only tell you what I hear in talking to some of them. They're very concerned with fighting inflation. They realize that higher living costs are taking a serious toll on their members. If they just try to get a larger bite in each new contract, it means they are only running to catch up, never really getting ahead.

What have they done in the United States. What about the steelworkers? He refers to them, in particular in connection with compulsory arbitration, to which Secretary Brennan takes the strongest possible objection. He said:

When negotiations are going on and both sides know that a strike is possible, then more issues are forced into the open and you get better bargaining.

I think that was the viewpoint as well of the Minister of Transport as I listened to him today.

Under compulsory arbitration, where the government is standing there threatening to make you work, it is very difficult to get good, acceptable agreements.

Some unions, such as the Steelworkers in their industry, are moving toward a method called "voluntary binding arbitration", in which both sides agree voluntarily to abide by the terms of the final decision. Under this system, if negotiations get to a stalemate, an impartial third party chosen by both sides is brought in who hears all the facts and decides on the terms of the contract.

Unions have shown this year that they can act responsibly and make this kind of bargaining work. We have been working on this kind of plan with the President's Commission for Industrial Peace. It is a much better system than passing a lot of punitive laws.

Then he mentioned railway unions in the United States. The question was:

Do you see a need now for any law in the transportation field?

The answer was:

I don't think so. The railroad unions have leaders that have been around for some time, and we all get educated after a while to move in the direction we should be moving. They settled their agreement 3½ months ahead of time, which was the first time it's been done in the history of the country.

What have we been doing? The Prime Minister diddles and the Minister of Labour daddles on and on, whereas in the United States a settlement was brought about three and a half months before the expiry of the contract.

And for the first time a number of unions were able to get together.

There has been no serious endeavour on the part of this government to act. It has refused to admit that there is any inflation within our country. Indeed, it is only a few weeks ago, when the Prime Minister was asked questions in the House, that he gave his answer in connection with bread. It is one that should be referred to. On that occasion, I said that government action to keep down consumer costs by a subsidy to the manufacturers of bread and the like, or the reduction of the amount paid by four cents per bushel, would increase the price of bread in this country by an estimated two or three cents a loaf. What did the Prime Minister say? He said no, the increase would be one-tenth of one per cent. Well, he was 200 per cent wrong, because since then the price of bread has gone up by as much as I had predicted on that occasion, and even more.

● (1550)

The government that refused to consider any action to meet the situation within our country has allowed this snowball of inflation to go on and on, and has failed to reduce government expenditures. Indeed, today the government is engaged in an orgy of expenditure in this country, as never before. The Minister of Transport laughs. Under my administration the maximum expenditure was $6 billion per year. Now it is $20 billion. Under my administration the cost of living in Canada advanced more slowly than in any other country in the world. The Minister of Justice was in the seclusion of a university at that time and does not know anything about the matter.

An hon. Member: He is going back there.

Mr. Diefenbaker: I am not sure. That statement was made by the then president of the United States, the late John F. Kennedy. However, in the last two or three years there has not been any serious endeavour on the part of this government to meet inflation. The Prime Minister laughs.

Mr. Trudeau: I am not laughing. I am listening.

Mr. Diefenbaker: When those poor people came from Montreal, those employees of the taxi company, who said, "Would you do something for us", has he forgotten what he said? What did he say to them.

Mr. Trudeau: Do you remember, John?

Mr. Diefenbaker: The Prime Minister asks whether I remember. He said, "Mangez de la merde". He can do the translating.

Mr. Trudeau: It didn't come out like that, John. You had better rehearse it.

Mr. Diefenbaker: This is the first time we have activated the Prime Minister. He now has said a word on this matter. So, I am happy that he is taking his position in dealing with this matter. Mr. Chairman, months have gone by. What did they produce? The mountain in labour produced a mouse, unacceptable to the men who work. They will be forced to go back to work and to receive less than they should be receiving in view of the rise in the cost of living since the report was made by Mr. Justice Munroe. Why? Why are they taking that course of action?

I do not countenance the endeavour to intimidate parliament, but only a very small number yesterday engaged in that. The members of the labour unions who are asking for action are responsible men. The unions that want action are led by responsible men who want to keep the law. They demand fairness, but they are not getting fairness and justice under this bill that is before the House. There is no question about it.

Why has the minister not given the actual amount that the government intends to provide? What did the government do? It set up legislation that provides for the appointment for an arbitrator or mediator, who is to make recommendations after these men are forced back to work under terms that I say are unfair and unjust. That provision is put in as a carrot. The men who work are to expect

something more, after the appointment of the arbitrator or the mediator. That provision is to deceive them that something is going to be done. It is a psychedelic carrot, designed to produce delusion.

Mr. Munro (Hamilton East): Mr. Chairman, may I ask a question?

Mr. Diefenbaker: The minister has had weeks to speak, and for weeks now he has been speaking everywhere on how successful he was going to be and actually was, and, oh, he was so wrong! Never has a minister been so wrong for so long. I must say that some of the interviews he gave would qualify him as a minister of bromides, as he endeavoured to make the people of Canada believe that something was being done. When I asked my question yesterday, he said that the matter was not correctly reported. I always believe in having these reports, and I give him the opportunity now to say what part of the report is wrong. On August 2 he went to Montreal, accompanied by a group of sycophants and press artillery, and made one of the immortal statements of all time in labour relations.

He mentioned himself in a very modest way and said, "We're down here to wrap this up". That is one of the strangest statements I have ever seen. He said, "We're down here to wrap this one up and settle it." He said he was optimistic. In another interview on August 20 he said, "We'll end the rail strike tonight".

Mr. Trudeau: We still hope to.

Mr. Diefenbaker: Which night?

Mr. Trudeau: Tonight, if you sit down.

Mr. Diefenbaker: I am glad of the assistance of the Prime Minister. When the minister said that on August 20, he meant the night of August 31. I am glad for that interpretation.

Mr. Chrétien: Tonight is not the 21st but the 31st. Change the two to a three.

Mr. Diefenbaker: Was that the Minister of Indian Affairs and Northern Development interjecting? He is closed out of his own office. I did not want to bring the minister into this, but if he interjects himself—

The Deputy Chairman: Order, please. I regret to interrupt the right hon. member, but, it being four o'clock, it is my duty to rise, report progress and request leave to sit again at the next sitting of the House.

Progress reported.

* * *

BUSINESS OF THE HOUSE

SUSPENSION OF PRIVATE MEMBERS' HOUR—LENGTH OF TODAY'S SITTING

Mr. Reid: Mr. Speaker, there have been discussions through the usual channels and I think you will find there is agreement not to proceed today with private members' hour but instead to return to committee of the whole and continue with the bill before it. I also believe, Mr. Speaker, that those same discussions involved the possibility of the House sitting until six o'clock this evening, then rising for dinner, and returning at eight o'clock, to continue sitting until some progress is made in the completion of this bill this evening.

• (1600)

Mr. Baldwin: Mr. Speaker I have made it plain before that we are perfectly willing, in fact most anxious, that we should waive such of the rules as are necessary to proceed with this bill. We agree to carry on until six o'clock, then come back this evening and proceed until the bill has completed all stages as far as this House is concerned.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, our views about this bill are well known. Nevertheless, we think that parliament should reach a decision on it without undue delay, and we are a party to the suggested schedule for this evening.

[*Translation*]

Mr. Matte: Mr. Speaker, we are in complete agreement with everybody.

Mr. La Salle: On behalf of the independents, I gave my consent, Mr. Speaker.

[*English*]

Mr. MacEachen: Mr. Speaker, in order that we have firm guidance I was going to suggest that we might put this agreement in the form of a House order.

Mr. Speaker: Hon. members have heard the suggestion made by the hon. President of the Privy Council (Mr. MacEachen), that we suspend the private members' hour, that is, from four o'clock to five o'clock, and that this House pursue consideration of the present order of business until six o'clock; that the House rise from six o'clock to eight o'clock and pursue the sitting after eight o'clock, again on the consideration of the same order of business.

The Chair is not clear, however, whether the order should include some finality in respect of the decision on this order of business. Perhaps some guidance could be given on this subject.

Mr. MacEachen: Mr. Speaker, my understanding is that we will pursue this order until all stages have been completed.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is agreed and so ordered.

MAINTENANCE OF RAILWAY OPERATIONS ACT, 1973

MEASURE TO PROVIDE FOR RESUMPTION OF OPERATIONS AND SETTLEMENT OF DISPUTES

The House resumed consideration in committee of Bill C-217, to provide for the resumption and continuance of operations of railways and for the settlement of the disputes with respect to terms and conditions of employment between railway companies and their employees—Mr. Munro (Hamilton East)—Mr. Laniel in the chair.

The Deputy Chairman: When the committee rose it was considering clause 2. Maybe before allowing the right hon. member for Prince Albert to complete his remarks the committee would consider the possibility of consenting to allow the right hon. member to go beyond his time as there are only a few seconds available to him.

Some hon. Members: Agreed.

On clause 2—*Words and expressions.*

Mr. Diefenbaker: Mr. Chairman, I will just take a very few seconds. I wanted to summarize the situation. This government must get off its seat and act in connection with inflation. It has refused to admit that it has been asleep on the job, and the result is that today our people are in a position which has never been equalled in this country.

Secondly, Mr. Chairman, there must be justice for the union people who are being ordered back to work, and that is not contained in the bill now before the House.

Thirdly, Mr. Chairman, I should like someone to tell me who is going to pay for the increases. Let me, as strongly as I can before this House, say that we rely on the so-called promise of the Minister of Transport that, as far as freight rate horizontal increases are concerned, they are to be frozen for 18 months. We on the Prairies have been paralysed under the last two governments. When the war ended the discrimination against the western provinces in freight rates was about 17 per cent; since that time there has been an increase across the board horizontally of 180 per cent. The result is that today in the western provinces it is impossible for industry to be developed because of the diversity of these rates.

I want to make it as clear as I can that there is no spirit of alienation in western Canada such as some people endeavour to conjure up, but there is a determination that we should not continue to be simply the recipient of crumbs from the rich man's table. We will not stand for another horizontal increase in freight rates.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: There are many other matters I could have dealt with Mr. Chairman, but I shall not do so because I do not want to keep other members from having an opportunity to speak. I conclude by saying that in no way do I approve the exercise of force against parliament. That cannot be condoned, and it would substitute anarchy for the right of each individual to freedom. There were a few people yesterday who acted in a way they should not have acted, and they were condemned for it by their responsible leaders. But, Mr. Chairman, that does not deny the right of individuals across Canada to come to Parliament Hill when action is not being taken by a somnolent government, to place before that government and the Canadian people their needs, their rights, and to demand an assurance that something will be done for them.

Some hon. Members: Hear, hear!

Mr. Howard: Mr. Chairman, I want to say that I think from now on each of us really should try to confine his remarks to the time available to him. I know that the right hon. gentleman from Prince Albert and the hon. member for Verdun did not ask for additional time, but there was a generosity in the committee to extend it. However, I think we really should try to contain that generosity because we are all anxious to have an opportunity to say something with respect to this measure, and to say it in a relatively short time.

I should like to commence with a quotation from that all revealing volume called *Hansard*, which I could not help remembering as I was listening to the right hon. member for Prince Albert. At page 2606 of *Hansard* for July 24, 1958, there appears the following:

> The chronology of this unhappy business of a labour dispute which began, as the Minister of Labour has just reminded us, over a year ago and of a strike which began on May 16, is a monument to an inept governmental performance... this procedure has exhibited a careless unawareness of a labour problem which was permitted to develop into a crisis, and which has created loss, distress, great inconvenience and business dislocation to an important section of the Canadian people.

Those were the remarks of the Hon. Lester B. Pearson when he was leader of the opposition in 1968 and the right hon. gentleman from Prince Albert was prime minister.

Mr. Diefenbaker: I was not prime minister in 1968. You have the wrong year altogether. That is the muddle you are in.

Mr. Howard: In 1958, I am sorry. He was talking about a situation in which there was a dislocation of the Pacific coast steamship service, operated by the Canadian Pacific Railway. Very briefly, in that situation in 1958 the right hon. gentleman from Prince Albert, who was prime minister, saw fit to bring in a bill relating to compulsory arbitration, forcing back to work those people on strike.

There was a provision in his bill for a wage increase. That wage increase had a relationship to the conciliation board report which showed that the employer representative on the board recommended a 17 per cent increase, while the employee nominee on the board recommended a 31 per cent increase. The conciliation board chairman recommended a 25 per cent increase, and the right hon. member for Prince Albert brought in a bill containing an 8 per cent increase.

● (1610)

Some hon. Members: Shame!

Mr. Howard: Enough of that.

Mr. Diefenbaker: Mr. Chairman, I rise on a point of order. My recollection is that there was no division in the

House on that matter in 1958. The CCF stood with us on that. They certainly did not vote against us.

Mr. Howard: That is absolutely correct. It is also correct that the then prime minister sold the people down the river at that time as well. The question, in terms of a settlement of that dispute, is what it is now. What could we as a parliament do to settle the dispute? I simply point out that the prime minister of that day was talking out of two sides of his mouth, which he also did today.

I do not know why there is so much testiness and hesitancy on the part of members when talking about compulsory arbitration. I do not know why the Leader of the Opposition, the Minister of Transport, the Minister of Labour and many others say they do not believe in compulsory arbitration, and then go ahead with it. Why the timidity? Why don't they recognize a factual situation and admit that what we are doing today is imposing an arbitrary settlement upon a group of workers and companies? Why don't they be honest and cut out all this b.s.? Why hide behind some theoretical concept of collective bargaining? We had compulsory arbitration in 1950, in 1958 when the right hon. member for Prince Albert was Prime Minister, in 1966, and we have it today. Why in hell don't we say so?

Do hon. members think that the 56,000 non-operating workers being sent back to work do not recognize this for what it is? Do they think the shop crafts, who have not yet reached the stage of being able to determine whether they will go on strike, do not recognize this for what it is? What about the running trades involved in the UTU? Do members not think they know what is happening? It is compulsory arbitration, and let's quit beating around the bush about it.

We must recognize one other fact of life. In 1950, when the first compulsory arbitration proceedings took place in this country, we destroyed the process of collective bargaining for railroad workers.

Some hon. Members: Hear, hear!

Mr. Howard: We have a situation today where the Minister of Labour is able to stand up and say we are following the usual procedure. Of course, it is usual. It is an intrusion into free collective bargaining. We in this country and in this parliament do not want free collective bargaining to operate in the railroads, except to the extent that if a settlement can be reached without a strike or lock-out, we endorse it. The minute there is a strike or lock-out, we do not want to have anything to do with it. That is what we are doing today.

The Minister of Transport, knowledgeable as he is in the process of collective bargaining and his involvement in it, laid it right on the line. The only effective collective bargaining that takes place when there is a dispute is when there is a test of one strength against another. The strongest wins. The Minister of Transport said he had been involved in an industrial dispute and strike situation where they had an excellent case, but lost because they were weak. He gave another example where they had a poor case and won because they were strong. We are not permitting that to happen with the railroad workers.

We should quit trying to kid ourselves and everyone else. The railroad workers do not have any effective mechanism for collective bargaining. The procedures set out in the act are a myth and a sham. Yesterday, the government reinforced the position that if this parliament goes along with them on this, in any subsequent railroad negotiations it is forever committed to say, regardless of the justification of the case, whether good, bad, strong or weak, whatever the chairman of the conciliation board says, that that will be the imposed settlement. How can there be any free collective negotiations with that knowledge in the minds of the CNR and CPR?

They know full well that all they have to do is sit back, drag their feet, delay, procrastinate, and go through the mechanics of appearing before a conciliation officer. They know their case has to be made with the conciliation board chairman. No matter what the chairman says, all they have to do is be tough and that will be the settlement. What kind of collective bargaining is that? How do you classify the position of a government which says that is what it is going to impose upon the workers, a position which supports that of the companies? That is exactly what is happening.

In a normal strike situation the intention of those on strike is to create some difficulties for their employer. It is to cause a loss of production, loss of sales or some financial injury so that the employer cannot stand the losses any longer and will sit down and sign a contract. That is also the process in a lock-out. The employer causes difficulty and injury to the workers by locking them out. When the workers find it too difficult, they are willing to sign a contract. That is what collective bargaining is in a strike or lock-out situation.

In the railroad industry, the injury is not to the employer. It is to everyone but the employer. The difficulties are not experienced by the CNR or CPR. They are experienced by farmers on the Prairies who cannot ship their grain, by people in isolated communities who do not receive their shipments of goods, and by auto manufacturers who cannot get their materials in or ship their products. The difficulties are experienced by everyone but the employers. That is where parliament comes into the picture.

Regardless of all the histrionics of the Minister of Labour and the Minister of Transport, when an industrial dispute takes place among railroaders there is no alternative but the imposition of a settlement. The way the situation is today, there is no other agency that can do that except the parliament of Canada.

By imposing a settlement upon the workers, we are destroying free collective bargaining. It has in fact not effectively existed for the past 23 years. It was destroyed in 1950. I agree that arbitration is the only way. Does anyone have any other solution? The Babe Ruths of the negotiations, such as the hon. member for Verdun, are few and far between. Even he has outlived his usefulness in that regard.

Let us not keep up the myth about collective bargaining, how important it is and how we respect it, when every time it breaks down we discredit it more. Do members think that the railroad workers, the negotiators and the companies do not know this? We talk about the necessity of finding some other procedure. The Conservative party

seems to have opted for the Woods report, and the concept of some peace commission to deal with collective bargaining such as a public interest disputes commission. Apart from that, I doubt if you will get three independents, as the hon. member for Verdun pointed out.

● (1620)

I want to draw the attention of the committee to another fallacy when it comes to accepting that concept. The difficulty is that it is cumbersome. There will be some outside group established for the purpose of analysing and assessing collective bargaining procedures in what are called essential industries, and deciding how they work. And then, when all else has failed the issue will be placed before parliament—precisely what is happening now. Why go through the charade of setting up a series of mechanisms to reach the point we have reached right now?

I can tell you this about the Woods Report: it is the result of my experience gained from operating under the law as it presently stands. The more obstacles you place in the way of collective bargaining the greater the frustration created for the worker on the job and the more strikes you will get, because the worker sees that collective bargaining is getting nowhere. Direct negotiations are engaged in. No settlement. The next step is a conciliation officer. No settlement.

Then a mediator is brought in, maybe more than one. After that, possibly, the public interest commission, and so on. Every one of these steps and obstacles in the way of the collective bargaining process is frustrating to the men concerned. A public interest commission would just be one more obstacle. Its establishment would create more difficulties than it would overcome.

Conciliation boards, as I know them, do not operate on the basis of the information and statistics presented to them. The chairmen—not all of them, but a goodly number—sit down after listening to all the briefs and all the evidence, including all the documents and statistics, and say to the union members and to the company members: Can you guys agree? All the statistics and so on are pushed to one side. If the representatives can agree, that is the basis of the settlement, and that is what the board recommends. If they cannot, the chairman tries to find some middle road, some compromise, and this becomes the basis of a settlement. What is the difference? It is the collective bargaining mechanism through stooges, who are not free agents.

I have gone through it. That is the way the system works. That is not collective bargaining in good faith. I think that under collective bargaining a simple situation should exist. First, the law says there is a contract binding for a certain period of time. At a reasonable point in time before the expiration of the contract, say three or four months, allow the union and management to negotiate—and keep everybody else out of it, including fumbling, inept, incompetent ministers of labour. Let the parties attempt to reach a settlement through the collective bargaining process.

If they fail to do so by the end of the contract period, the employers should have the right to lock out, and the employees should have the right to strike. If this happens in the case of the railway industry, parliament will be in the picture again to institute back-to-work legislation and to propose a settlement. It would then be in a position to do so without relying on the ineptitude of whatever solution board chairmen might conclude in their minds was an equitable settlement. We could act on the basis of a level which we thought was fair and just, a level arrived at publicly and not behind the scenes.

I assess the position taken by the Leader of the Opposition with regard to the collective bargaining process as being a very simple one. Shorn of all its trappings, such as the public interest commission he talked about, and the Woods Commission, his position is a simple one. It is that if union and management can reach an agreement there would not be compulsory arbitration, but if they could not agree, there would be compulsory arbitration. That is the position taken by the Leader of the Opposition. Why does he not say so? Why doesn't he make it clear? I know it is difficult for him to do that, but surely there are some in his party who could spell it out. This is the position I want to take. We are involved at the present time in compulsory arbitration; let us face it.

If we wish to do something worthwhile for the railroad industry and for the unions and the workers, if we want to do something worthwhile for collective bargaining, this is the line we should take. The companies were not bargaining in good faith. Why not? Because they knew their position could be salvaged by governmental and parliamentary action. I say this to the government: If you really want to do something meaningful to promote collective bargaining and the reaching of a settlement, without the intervention of parliament and without compulsion, you should make it so uncomfortable for the CPR that it will not dare come back to parliament again.

Some hon. Members: Hear, hear!

Mr. Howard: I do not mean to be cruel and destructive. I am not talking about wage increases which will destroy the position of the company, or about demands which are inordinate. I am talking about fairness, justice and equity.

The Canadian Pacific and the CNR have the government in their pockets. They knew before this dispute started that whatever the conciliation board chairman said would be adopted as the position of the government. That was their final offer, and they felt they needed to do no more. Do we have to buy that? Do we have to say halleluja to the conclusions of Craig Munroe? I use the first name to distinguish him from the present minister. Did he know what he was talking about? It is likely not, when he talked about 30 cents. He was likely trying to find what he thought might be a compromise position which the parties would accept. Isn't that what we would be trying to do? We are in that position.

We are not negotiating, we are imposing. We are not making suggestions to the parties as to what they should accept. We are imposing a solution, and the basis of that imposition should be the Weldon Report. We could settle the dispute along those lines. The workers would go back to work, there would be no dislocation, and they would not come back again—

The Assistant Deputy Chairman: Order. The hon. member's time has expired.

Mr. Mazankowski: Mr. Chairman, though I do not have the credentials the hon. member for Verdun possesses in the area of negotiations between labour and management, I rise to take part in this debate as a concerned Canadian and I do speak with some knowledge of the devastating impact which this strike has had upon the Canadian economy and upon the welfare of many millions of Canadians.

I have never been involved in any labour-management negotiations but I own a business in the Town of Vegreville which employs some 65 persons, and I do know one thing: in order to get a fair day's work out of any individual you must reward him with a fair day's pay.

● (1630)

I believe the government has failed miserably in its attempt to deal with and avert this strike in an expeditious manner. I listened to the very eloquent speeches, of the hon. member for Verdun and the Minister of Transport, who attempted to explain away the government's position in relation to the strike. They attempted to tell this House the reason the strike came about, but I should like to state that they failed to convince me. This government failed to expedite a satisfactory solution to the problems which led to this strike.

It is the responsibility and the job of the Minister of Transport to see that goods and people move uninterruptedly in this country, and I suggest he should take stock of his position in relation to this strike.

We are assembled here this afternoon to restore services in Canada which are not only essential but which represent a national lifeline. The cost of this disruption and its effect on our economy has amounted to untold millions of dollars, and the government cannot continue to ignore the situation. This strike has caused a great deal of suffering, discomfort and misery to millions of people.

We are lucky that the provinces of Newfoundland and Prince Edward Island have shown such generosity, kindness and hospitality. The residents of those two islands have opened their doors and their hearts to the thousands of people stranded there. I must commend the provincial governments and the service clubs, particularly the Lions and the Kinsmen, for the admirable job they have done in helping to overcome the hardships and misery caused by this strike. These organizations and the two governments are to be commended for their outward kindness in accommodating these unfortunate victims.

The innocent victims of this strike have no recourse; they can take no action against anyone. If strikes are to be a way of life in this country perhaps it is time to consider ways and means by which innocent victims, who are detrimentally affected by a work stoppage, can take action against the unions, management, or both.

We have had too many strikes in this country, particularly in essential services. Many services have been interrupted; services which are fundamental and necessary to the orderly functioning of our economy and our society. Most of these services enjoy a monopolistic position because we are provided with no alternative. This has caused corporations, small businesses, farmers, and many others untold hardship and financial loss. Transportation is indeed in this category.

[The Assistant Deputy Chairman.]

This country is fed up to the teeth with strikes. The people have had their fill and are demanding alternative methods to the negotiating process. As far as many Canadians are concerned a strike is an obsolete and archaic tool. I understand there are something of the order of 54 strikes taking place in our nation at the present time, and a number of others pending. These will involve thousands of people.

There has been a void of action on the part of this and former Liberal governments to grapple with new devices or techniques which would be more effective in dealing with management-labour disputes. This is especially true in respect of essential services. What has this government done to improve the bargaining process? What has it done to protect the public from disruption of essential services? What has it done since the last legislation in 1966? I suggest the answer is nothing.

When the late Right Hon. Lester B. Pearson introduced the back-to-work legislation in 1966 he said, as reported at page 7771 of *Hansard* for August 29 of that year:

> We must find better methods for the negotiation and settlement of disputes in the railway industry, and in other industries; new and improved mediation and conciliation procedures which will take into account new circumstances, new conditions in industrial society; which will more effectively preserve the right of the employee in these new conditions and also adequately protect the national interest, particularly in respect of essential national services.

This government has failed to act or live up to that commitment made by a respected Liberal leader who, I am sure, made that statement in good faith.

What is to be done about future strikes in essential services and future disruptions in transportation? Does the government intend to go along merrily as it has in the past, reacting to each crisis as it happens? Does it intend to continue to act in this way in respect of disruptions in airline service and the service provided by longshoremen and grain handlers, ignoring the fact that this is all part of a larger problem? Or is the government prepared to present to parliament a program to provide for better ways and means of negotiating, in order that the public can be protected against the devastating and damaging effects of strikes in essential services?

Our party has put forward a proposal which I think marks the beginning of a new mechanism. It has been outlined by my leader and by the hon. member for St. John's East. I will not go into detail, but it could be the starting point of a new approach to labour-management disputes, and I hope the government is prepared to give it serious consideration. The government has been known to borrow our ideas in the past and I am sure we will not mind if it does so in the future, particularly, if this will serve the public interest. Perhaps a parliamentary committee should consider the Woods Report and other factors in an attempt to find ways and means for the better settlement of disputes. This government and this parliament should consider this issue immediately.

When considering a public industrial disputes commission it should be noted that it is essential to the proposal that workers in essential services receive fair and just payment. I believe an appropriate pay scale must be established. If the non-op railway workers are considered to be essential workers they must be paid on that basis, just as

we pay policemen and firemen in this country on the basis of the essential services they perform.

Many hon. members have alluded to the fact that railway workers perform an essential service. There can be no doubt about that fact. Those employees who are a part of this network must be treated as essential employees. We must ensure that they receive a decent income for their labours, decent working conditions, adequate security, decent pensions and so on.

● (1640)

Furthermore, I believe management and the unions must be encouraged to commence their bargaining process at a much earlier date. Under the existing framework there is too much opportunity to play around rather than bargain meaningfully before the expiration of the contract. This is tantamount to playing a game with the public, all of which is devastating and costly. I believe that appropriate incentives could be put in place to encourage the expedition of the bargaining process prior to the expiration of a contract. These are just a few ideas, but they are ideas which I believe the government can consider.

I am sure there are many other ideas which could be brought forth. The point I want to reiterate very strongly is the fact that we must address ourselves to establishing a much better system of collective bargaining, and a much better system to overcome labour-management disputes in essential services.

I believe it is precisely because of the incompetence of this government in the area of labour unrest, and its poor record in respect of economic management, inflation and the cost of living, that we are presently in a climate of confused economic chaos. Previously I said I believe the people of Canada are fed up with strikes. I want to say, however, that they are also fed up with this government. They are fed up with the economic mess we have at the present time. They are fed up with the deterioration in labour relations. They are fed up because of the government's inaction in respect of averting the strike we are now legislating during this special sitting of the House.

The government was forewarned regarding the implications long before the strike occurred. I am one who believes this strike could have been avoided. I am sure it could have been avoided with a settlement as good as the strikers will receive as a result of this legislation and the negotiation and mediation which follows thereafter.

I do not believe the government accepted its proper responsibility in July. I think we could have moved to settle this strike before the House adjourned in July. On July 26, for example, when the first round of rotating strikes occurred, the hon. member for St. John's East asked the Minister of Labour a question about the strike and the Minister of Labour failed to even recognize that a strike was on our hands. He referred to it merely as a temporary walkout. This is recorded at page 5984 of *Hansard*. This is an example of sheer incompetence.

What has happened? Grain deliveries have been disastrously affected. Our reputation as a supplier of grain has again become tarnished. Because of additional carrying charges, because of additional demurrage charges, and plugged elevator systems there is less money for the producer. We are now in the midst of the harvest season and the elevator system is plugged because of the railway strike. In the area of livestock the ill-conceived implementation of the export restrictions in respect of beef and pork, which sent thousands of cattle back to farms which originally were destined for market, coupled with rail strikes, has complicated the orderly marketing process of cattle and hogs.

This was a very costly error on the part of the government. Untold millions have been lost in the livestock industry and in the grain industry, the two main industries of western Canada. There is a backlog of processed meat. Cattle are being bought in quantities of one, two, three of four, rather than in hundreds and thousands. The manufacturing industry is being paralysed. Huge lay-offs are being experienced in our communities in western Canada. The merchants are without shoes and clothing to sell. This situation exists not only in western Canada but in central Canada as well.

Then there is the matter of repair parts for machinery and equipment. This has an effect on the harvest. Farmers are unable to buy repair parts in order to keep their machinery in operation. This situation could have been anticipated long before the strike occurred. We are now faced with a gasoline shortage. Even if the trains begin to roll on Monday we could still experience a temporary gasoline shortage which would affect the harvesting operation. This is a matter of life and death because one must take advantage of harvest weather when it is present.

All across this country the detrimental effect of the strike has been recorded. What did the Minister of Transport do during the period leading up to the strike? His expertise in labour-management negotiations has been mentioned previously. Did he exercise his responsibility? Did he use his force and sheer determination to encourage the parties to get together and settle this strike before it actually occurred? I do not know, but I did not gather from his speech this afternoon that he undertook his task in a responsible manner. Perhaps he has been as ineffective here as in mapping out a new national transportation policy.

This is an area in which some radical changes and approaches might be mapped out, rather than the piecemeal approach that was taken at the Western Economic Opportunities Conference. We also wonder about the role of the CNR and Air Canada that was alluded to by my colleague, the hon. member for St. John's East. These two bodies have not been scrutinized by the parliamentary committee.

We are told that Air Canada is operating as a rudderless ship. I should like to know more about the operation of the CNR and Air Canada, but the minister and the government have denied the members of the House an opportunity to examine the officials of these two large Crown corporations. We wonder why the minister has denied the members of the House an opportunity to examine the annual accounts for the years 1971 and 1972. We wonder why there has been a refusal to come clean in respect of the Air Canada financing bill. We wonder why we have not been able to get the management side of the story. If we did, perhaps we would all be in a much better position

to deal in a more objective way with the total impact of this particular dispute.

We note that the net income of the Canadian railways, as reported by Statistics Canada, has more than doubled in the first four months of 1973. Perhaps this may have some bearing on the kind of settlement to which the non-ops are entitled.

The members of this House have been denied an opportunity to cross-examine the officials of these institutions. We would also like to know what has happened in respect of the promised freight rate freeze that had been alluded to by the minister in his outburst at the Western Economic Opportunities Conference. These are some of the answers we seek.

I see you are on the edge of your seat, Mr. Chairman, and therefore I shall be very brief. In my opinion parliament and the people of Canada have been cheated by this minister who has refused to allow these two Crown corporations, each of which provides an essential service, to be scrutinized by a parliamentary committee.

● (1650)

It is for that reason that we are somewhat suspicious, and that we lay the result of this strike primarily on the doorstep of this government. It is mainly due to the government's incompetence and the devious manner in which it has handled transportation matters in this country.

Mr. Rodriguez: Mr. Chairman, I am a neophyte in the House and I as a newcomer here and as a spectator of this sport I have listened, read and tried to find out what is going on. I also happen to have a very large group of non ops and running tradesmen on railroads in my riding. So I decided to take a look at *Hansard* of the period when similar legislation was introduced in the House.

After reading *Hansard* for August 29, 1966 and after listening to the speeches that have been made in the House yesterday and today, I must say that I have never heard such phoney, hollow speeches, and such verbiage as I have heard thrown around here by the Liberals and Conservatives. I want to give an instance of this. The Conservatives have been clamouring for the return of the workers to their jobs since the rotating strikes started. When I look back at *Hansard* for August 29, 1966, I see that the former leader of that party, the right hon. member for Prince Albert, as recorded at page 7733 of *Hansard*, had the following to say:

I recall very well that debate in 1950.

He was referring to similar legislation in 1950, the first instance of compulsory arbitration imposed by parliament on the railway workers. He went on to say:

The attitude then taken by the Conservative party was that in so far as compulsory arbitration was concerned the party was against it, and members of this party voted accordingly when a vote took place on the motion made by the then prime minister.

So it seems that the Conservative party had taken a position against compulsory arbitration. I hear them in the House today advocating that. They have advocated it since July 26, 1973, when the rotating strikes started.

I have listened to my leader. He said that every court should have a jester. I suppose every parliament should

have a Pontius Pilate. I think it is remarkable that the Minister of Transport should tell members in the House that we are not here to solve the dispute, we are here to solve the emergency, and that we are not all cognizant of the material, the information, and the statistics involved in this dispute.

Why are we elected by the people of Canada if we are not to inform ourselves and become knowledgeable of the kind of legislation that we are expected to debate and to pass? I suggest to you that members of the House are not now familiar with the demands of the non-ops and the arguments of the companies, which have been few and far between because the companies have not negotiated fairly and in good faith. Surely then members are not justified in sitting in the House if they have not informed themselves on those matters. They should have done their homework, and it is obvious that they have not.

The hon. member for Verdun made a comparison, which I found funny, between the salary of an engineer on the railroad and that of his secretary. He said that she was making $1,800 less than the engineer. I suggest that if he had any sort of social conscience he should have organized the secretaries so that they would not be making $1,800 less than the organized workers.

I was glad to hear the Minister of Transport this morning. Indeed he is eloquent, and I would compare him in many ways with the hon. member for Verdun because in fact they are the only two members sitting on that side of the House who have any knowledge of or sympathy for the working people of this country. It is revealing indeed that the Minister of Transport was called upon by the Liberals to bail them out, and obviously the Conservatives in this particular instance will also be bailed out by that speech in which the minister said that we are not in a position to make a decision. It seems to me that once parliament took the option of bringing in legislation to put the workers back to work to end the emergency, the onus is on parliament to make sure that the emergency is ended and that the workers have a fair and just wage on which to live.

Some hon. Members: Hear, hear!

Mr. Rodriguez: I do not call that politicking because I have listened to members on that side of the House, and to the Liberal members in my area. Incidentally, there are no Conservatives in northern Ontario. I have listened to the Liberals stand up before the non-ops in the last three or four days and tell them: "We agree that what you are asking is fair and just. We agree with your wage demands. They are not out of line. We agree with your desire for job security. It is what every other worker in industry has. You are not asking for anything that is out of line".

Now they come and support a bill which gives the workers what the company offered last Monday, and which the union turned down. I find that false because at election time both the Tories and the Liberals stood up and pretended that they were the friends of the workers. If they are the friends of the workers, why do they not on this occasion, instead of saying all these words which are empty and hollow, accept the Weldon report and give the workers a fair and just settlement? Why do they engage in the parrying of empty, fancy words back and forth? It seems to me that it is time the workers realized that the

two old line parties are closely allied with business and will never bring in a decision in favour of the workers.

An hon. Member: What about British Columbia?

Mr. Rodriguez: This has been so ever since 1950. I know you are upset about this. The hon. member for Peel South is very upset. I can understand the fact that he is upset because I am sure the workers will note how he and his colleagues voted last night, and they will note how they will vote on our amendments. I hope they will carry the message to other workers throughout the highly industrialized areas such as the cities of Hamilton and Windsor so that the workers know how the Conservatives and Liberals are voting when it comes to a crunch between management and workers.

The Minister of Labour in his press release on August 30 stated in his preamble regarding the strike:

> This strike . . . has resulted in widespread economic loss to the extent that the welfare of the nation has become imperilled.
>
> As the Prime Minister has indicated, it is essential to the interests of the people of Canada, and the welfare of our nation, that railway operations be resumed immediately.

The minister echoes what was said in 1966 and before that in 1950.

• (1700)

Indeed, this whole scenario which is now unfolding has been played before. One has only to pick up the *Hansard* of 1966 and read the same script again. It is interesting to note that one year it is the Liberals who are imposing compulsory arbitration and the Tories who are screaming against it, and then it is the Tories who are pushing compulsory arbitration down the throats of the workers while the Liberals slither into the role of pretended opposition. It is precisely this kind of situation which demonstrates that there is absolutely no difference between these two groups. They are identical in all but name, and I strongly suspect that the only reason the members on both sides of the House have not merged is that they enjoy having someone who agrees to argue with them.

An hon. Member: Let's talk about British Columbia.

Mr. Rodriguez: There is no strike going on in British Columbia at the moment.

Let us get back to the Minister of Labour's statement. He stated that the welfare of the nation is in peril. In the last few weeks we have been told that the economy is suffering and the general public is suffering. This, obviously, is true. We are told that the government must legislate the workers back to work, because they are essential. Actually, I have never heard the words "essential service" used so often as in the last two days. If they are so essential, and it seems that they only become essential when they remove their services from their employers, why, in heaven's name, are they not given a fair wage and job security?

Members here enjoy a fair wage but do not enjoy security. Do hon. members think of these essential workers between contracts? No. When the non-ops are doing their job day after day, year after year, do the two old time parties ever pause to wonder if these essential workers have enough money to feed and shelter their families and keep up with the rising cost of living, which has run amok in this country? I doubt it.

The simplistic solution of wage and price controls brings no guarantees for workers earning poor wages. Do the two parties ever think about the growing insecurity which these essential workers face through the ever-increasing encroachment of technology on their jobs. I think not. And I do not believe for a minute that parliament has been recalled because the Liberals are concerned about the welfare of the nation or the interests of the Canadian people. After all, it was not so long ago that the Minister of Finance sauntered out of his summer retreat to announce to an angry and concerned public that prices are hurting, but that's not enough to recall parliament. And this is where deception of the most gross and despicable nature is being perpetrated on the Canadian people. The Liberals name the villain, act out a little parliamentary voodoo, and then declare the demon exorcised.

Yesterday, Mr. Chairman, we observed a demonstration by the rail workers. Those rail workers have been cast in the same role over the years, albeit reluctantly. They know they have always been screwed by the government and they know they are about to be screwed again. They know why they were demonstrating outside the House of Commons. They know why we are here. They were here because they believed that the members of parliament who are in this House, and who are their representatives, are not going to give them a fair settlement, and they were correct. They knew the situation, knew what they were to be offered, and they were absolutely correct.

I say that when this government exercises its prerogative to recall parliament and get the workers back to work, back to their jobs, the responsibility rests with the government to make absolutely certain that those workers receive a just settlement. This government is not and should not be in the business of strike breaking, and it should not be in servitude to the companies.

An hon. Member: What would you do?

Mr. Rodriguez: We would give the workers a just and decent wage, so that they could keep up with the increasing cost of living. It is clear that the rail workers are only asking for what is fair and just. Their demands clearly are not exorbitant.

Surely no member in this House can say that what these men are asking is exorbitant and inflationary. Indeed, it is the policies of provincial Tories and federal Liberals which have led to the inflationary spiral which has put these men behind the eight ball. It is obvious that their fringe benefit packages cannot begin to approach those of workers in other comparable industries, and I could give you comparisons.

In the Sudbury area the major employers are Inco and Falconbridge. The union employees of those two large companies have worked out a medical and dental plan, and there is a company pension. The non-ops do not have those things. The average wage of the Inco or Falconbridge workers is $5.75 per hour. I think the non ops get $3.54 per hour. On the other hand the stores in the area that serve the workers of Inco and Falconbridge base their prices on

the high wages, and not on the average wage of $3.54 paid to the non-ops.

These men have their backs to the wall. If you think that this legislation will end the emergency on the railways, you have another think coming, because the bookings off will continue, as will the harassment, and members here will have contributed to the broken spirit of the railroad workers. As I said, the fringe benefit packages of these workers cannot begin to approach the benefits of workers in comparable industries. Nor can it be said that they do not deserve sick leave and pension plan improvements.

It is true that the non-ops are in jeopardy because of advancing technology, and it is only fair that they have some provision for security. It is also true that the rail workers have been more than patient with the companies and the government. It has been 19 months since the last wage increase was granted. So, I think they have been more than patient. Further, they have no strike benefits. It has also become evident that the companies have not bargained in good faitn. Actually, the deputy minister went on television the other night and said that the companies have not bargained in good faith.

I say, let us string the companies, so that they will always bargain in good faith in the future and perhaps we will not need to be unfair to the workers.

How can the government come up with such an objectionable, useless mess of nothing as Bill C-217? This bill offers the workers nothing. This bill attempts to give the workers exactly what they had turned down in negotiations, because they knew it was not sufficient. It waxes strange indeed that this government not only permits but encourages Canadian National railways, which belongs to the working people of this country, to operate as badly as a private corporation, instead of setting a standard for rail workers, instead of leading the way for fair and just and respectable settlements in Canada. Instead, there has been collusion, and the companies have brought forward this mess of pottage that we see reflected in Bill C-217.

Do the Liberals honestly think that this bill will bring peace and harmony to the labour situation? Where have they been for the last nine months. Workers have been booking off. I raised the issue in this House as early as the beginning of July, and the bookings off had been taking place for the previous three months. I predict, Mr. Chairman, that this unrest on the railroads will continue. The rail workers have been displaying dissatisfaction over the last nine months with the offers the companies have been making. They have been fed up with the fact that after nine months they have no contract. Where were the Liberals during those selective strikes? What were they doing during the rail disruptions and the bookings off?

● (1710)

If the Department of Labour was aware that the companies were not bargaining in good faith, as apparently they were not, why did the department not step in and make sure that the companies demonstrated good faith in bargaining?

It has been stated that the non-ops will not accept this legislation. If this becomes a fact then I contend that the responsibility for this mess lies smack on the doorstep of the Department of Labour and the Liberal cabinet. The history of settlements forced on the workers, at times when Liberals or Tories were in charge of legislation to put workers back to work, might be compared with putting Dracula in charge of the Red Cross blood banks!

Some hon. Members: Oh, oh!

Mr. Rodriguez: If this government's Minister have become so locked in to the protection of the corporate welfare bums of this country that they cannot see beyond their noses, then they must shoulder the responsibility for the repercussions. It is not the duty of the non-operating rail workers to continue to subsidize the economy. Why should the rest of the economy ride on the backs of the railroad workers? But Mr. Chairman—

The Assistant Deputy Chairman: Order please. I regret to interrupt the hon. member but his time has expired. The hon. member for Ottawa West.

Mr. Reilly: Mr. Chairman I shall try to follow the advice of the hon. member for Skeena who admonished us earlier to keep our remarks brief and then proceeded to use every minute of the time allotted to him. I can tell you—

Mr. Howard: You should tell the truth for a change. I know it is a shock to you, but you should.

Mr. Reilly: Well, Frank, as I recall you were cut off.

Mr. Howard: Try to be truthful.

Mr. Reilly: I want to tell you, Mr. Chairman, that I will support the amendments proposed by my leader.

An hon. Member: Which one?

Mr. Reilly: All of them.

An hon. Member: Which leader?

Mr. Reilly: I see the hon. gentlemen opposite have—well, perhaps I should not say it.

An hon. Member: Go ahead.

Mr. Reilly: Mr. Chairman, earlier today we heard from the hon. member for Verdun who, as a result of what I think is his quite humanitarian approach to the problems of the working man, was dispossessed and practically disowned by his own party. We also heard from the Minister of Transport, a man for whom I have the most profound regard. In the early 1950's when the so-called quiet revolution was getting under way in Quebec he virtually put his life on the line for the very workers he is now talking about. Unfortunately, I cannot speak as well of the present Minister of Labour who has contrived to throw the entire collective bargaining process into such a shambles that management and labour may never recover from it.

We cannot force people back to work without giving them a decent break, but even though I hate the idea of forcing people back to work when they want to strike, I submit there is no alternative. The minister knows that, and all members of this House know it. Even the hon. member who spoke a few minutes ago knows that.

We cannot allow the strike to go on, but there does not appear to be any way of solving it short of legislation. The minister, and anyone who has had experience with labour management, as I have, know that a strike has never produced anything worthwhile at all unless it is a strike for recognition. We have to provide a means by which these men and women can go back to work and resolve their disputes with their employers in a way which will not disrupt the lives of the people of this country. I believe that the body of the bill plus the amendments that we have before us now constitute the most acceptable way of accomplishing that aim. I urge all hon. members to vote for the bill, as I shall. As I promised, Mr. Chairman, I did not use all my time. Thank you.

[*Translation*]

Mr. Dionne: Mr. Chairman, we have now before us a bill entitled: "An Act to provide for the resumption and continuance of operations of railways and for the settlement of the disputes with respect to terms and conditions of employment between railway companies and their employees."

The proposed wage adjustments are based on the conciliation report submitted in July.

The minister will not succeed in making us believe that he has made an effort. Those proposals have already been made. I recognize that many other seasonal, part-time or often unemployed workers would appreciate the opportunity of obtaining a steady job under those circumstances, but it does not satisfactorily settle the problem of railway employees.

● (1720)

With a patched-up labour legislation, this government has favoured the spreading of a type of contagious disease that we could call the strike disease, and what is unfortunate is that it is spreading at such a rate that we ought to change as soon as possible this legislation so as to avoid this multiplication of strikes with all the inconveniences involved: loss of pay, disorganization of the economic situation, not to mention disgraceful scenes such as we have seen yesterday. Altogether, the legislation will bring a slight improvement in conditions existing before the strike but it must be possible to set pay rates more in keeping with the workers' demands.

Furthermore, there are several other factors besides the salary to be considered and that the legislation does not even refer to.

No doubt some would be ready to point out that negotiations will continue. It has been said in this house today that there were no negotiations, but I see that the negotiations have failed. Therefore, there should be something done which at least looks like negotiations and which would satisfy the demands of the workers.

There are other points, some of which have been discussed, which could be solved later. But if we base ourselves on previous developments, the railway employees have not received much satisfaction. There are important factors to consider in setting the working conditions of an employee. It must be taken into account that the employee is a human being and not a machine and that he wants security and stability. Generally he also wants the place where he works to be well organized and well managed. It is normal that he be treated fairly. He also wants to be informed on the financial situation of the firm, so that he may be sure that he will receive a fair income. These are basic realities inherent to the human condition.

I hope that this legislation providing for a return to work will be modified and applied in all fairness by all parties and that it will respect all legitimate opinions when the time comes to solve a dispute over working conditions. I remind you once more that there are many other things to consider besides salaries.

I seconded, at the beginning of the session yesterday, a motion by my colleagues the hon. member for Rimouski (Mr. Allard) asking for a detailed inquiry on the administration of the Canadian National Railways; I urge once again that such an inquiry be undertaken. Without a doubt, the people would better understand the causes of misunderstanding. A complete revision of the pension plan would enable us to see that the benefits could be shared more equitably amongst the employees.

We might be surprised to find out the cost of maintaining luxurious trains and organizing picnic cars or palaces on wheels. It might be wise to look into the salaries of some directors, starting with the president who earns $75,000 a year, and a whole series of assistants and deputy-assistants several of whom, it seems to me, are more favorites of the regime than rail transport experts. Judging from the railway timetables, we can better understand the claims of the railway employees.

We are now going through a sufficiently perturbed evolutionary stage in union movements to make the supporters of collective bargaining pause and think things over. Succeeding disputes leading to numerous strikes of all kinds certainly do not reflect mutual agreement.

Supporters of today's strike will find reasons to justify their right to strike tomorrow. An endless renewal leads us into adventures without solution and helps to maintain, to the detriment of the interested parties, an atmosphere of collective disagreement, instead of fostering the agreement hoped for by the majority.

I have already mentioned on various occasions that I consider strikes as en evil that is sometimes necessary and that must be kept from spreading. Any serious observer will admit that unions were born to meet a need and that need continues to exist.

I assumed for over ten years the duties of president of a union local and I have an excellent recollection of labour-management relations. However, I find it abnormal to conclude that strikes are the best solution to right the discomforts that emerge in such relations. One must not lack imagination to the point of thinking that a whole series of mistakes can be corrected by setting out to make more mistakes. Those concerned should rather pursue the line of reason and act as adults. In a democratic country everyone has a right to express his views and may even wish to have them respected. However, he will have to have enough understanding for those of others.

The important thing is to pinpoint the many causes of misunderstanding and set the bearings of labour legislation towards the protection of the rights of the weak, the

small, the poor, mainly those who need protection the most.

A brief summary of the causes of conflict could undoubtedly provide grounds for reflection for those who really care about improving the situation: the steady increase in the cost of living through the multiplication of taxes, rates, control boards, commissions, inquiries, etc. Add to that the complexity of laws which result in lengthy and costly legal procedures and you will better understand the reasons which contribute to building up a striking mentality about which both management and workers are concerned.

It is rather strange to see some propensity for organizing small union battles on various fronts. We now have a situation of mutual misunderstanding. And why in most cases? To obtain salary increases which are immediately reduced by increases in product prices and taxes of all sorts.

There are fights to obtain true salary increases, the missing dollars without thinking too much about who makes them, who controls them and who determine their value.

What is the use of earning $4. or $5. an hour, if a dollar is only worth 50 cents or less. This is a matter of wealth and purchasing power distribution.

Labour agreements were negotiated in a truly harmonious atmosphere a few years ago. Things have changed since then: strikes come first and bargaining follows which is too often the case. Although some of the claims are really legitimate, there has been lately a certain amount of irresponsibility which is not conducive to the spirit of understanding which ought to exist during bargaining, through illegal strikes if necessary, while trying to exert pressure on the employers at the same time.

I would say, however, that a good many employers and the government as well have not set too good an example in this regard, allowing considerable delays in negociations and thus aggravating the position of their employees for months. Such is the situation with the railway workers.

On two occasions, employees have returned to work hoping for an improvement in their working conditions, but they never obtained what they had been expecting.

Since Parliament has now reconvened to put an end to the railway strike, why not take this opportunity to assure workers—not only those on the railways, but all those whose working conditions come under federal jurisdiction and most of whom are quite understanding—through adequate legislation, of decent working conditions, in order to avoid the continuous conflicts we are witnessing now?

We often find that private enterprises and some administrators of public services make a lot of fuss over the violence which often erupts during disputes, but these people rarely mention the mental and physical suffering which thousands of workers must bear, year after year, to earn a living in difficult and often painful circumstances. A well-balanced legislation should aim at eliminating abuses of this kind. Labour legislation should be written in a clear style to enable union leaders and workers to understand their scope without calling too often on the services of lawyers who apparently do not need to go on strike to increase their fees.

Union dues could be used more effectively to help individual members in difficult circumstances through illness or accidents, instead of paying for the costs of slow and expensive procedures or finance struggles pitting unions against unions which foster nothing but animosity between them.

Let all legislators draw from the same inspiring sources the salary adjustment grounds that were brought forward at the time of the pay increase for ministers, members of Parliament, senators, judges and some senior officials and we shall thus avoid useless and harmful strikes.

The right to live is derived from a natural right and that right must be recognized long before the right to strike or the right to exaggerated profits and steps should be taken by legislators to provide every one first of all with the right to live. We should have enough clearsightedness to organize an intelligent distribution system for existing goods without resorting to strike when the vast majority of citizens wish to work.

In the present case and in order to promulgate a balanced legislation, we should create a committee secure from undue influences, made up of experienced people, well informed about labour and management problems, including a few experts qualified to provide accurate data on the changes in the cost of living index and determine the bases of wages in various industries, considering all relevant factors whenever a normal production of goods or services is required.

In public services, an arbitration court made up of qualified labour and management representatives should apply a salary adjustment mechanism based on the cost of living index and check-up should be made every six months. Members of such a court should also assume the responsibility of ruling on employee grievances concerning working conditions, and that within a maximum of ten days, and organize a secret ballot system enabling employees to vote freely for the union of their choice and the decisions that should be made.

Let us stop thinking in terms of compulsion when it comes to contributions or arbitration and let us consider rather a fair and just distribution of the firm's profits and of the workers' salaries and peace shall prevail in relations between employers and employees; the solution will not come without some effort, but the current situation compels us to take the proper means, and without delay.

It is imperative to restore the equivalence of the purchasing power on the basis of the needs of individuals and the value of the wealth, considering that physical work tends to be replaced by machines.

The worker is in search of means to live and earn the living of his family; let him be treated in fairness so that he may not have to wander around holding a sign to demand the right to enjoy rights and to bargain for agreements which often become disagreements.

● (1730)

[*English*]

Mr. Turner (London East): Mr. Chairman, I want first of all to extend my good wishes to the Minister of Labour.

None of us in this House envies him the task with which he has been confronted during the past three weeks. He has toiled long and hard and worked night and day trying all avenues to secure a negotiated settlement of the non-operating workers dispute. No one in this nation can say that the minister shirked his duties throughout this difficult period.

Having worked on the railroad for 27 years, I believe I am very close to railroading. I cannot, therefore, escape taking a very close interest in this dispute, although I pledge to you, Mr. Chairman, that I will be as fair and as unbiased as I can.

The legislation which has been presented to the House represents a starting point from which continued collective bargaining, mediation or binding arbitration can begin. The employees of the railroads will have a lump sum of retroactive pay in their pockets at an early date. I am sure that the negotiations which take place will consider the allegation that the railway workers' wages in past years have fallen below the wages being earned by organized labour in general, working in other industries across this country. I am also quite sure the negotiations will include a long, hard look at the increases in the cost of living which have occurred in Canada in recent months.

The question of job security is another very important consideration which must be given attention in future talks. This item is exceedingly important to the workers' peace of mind and sense of well-being. The announcement which the Minister of Labour made, setting forth an industrial inquiry commission, is essential to the attainment of a good settlement. The costing of pensions has remained central to the negotiations which have transpired. Further, they represent the salary on which one day the employees and their families will have to live.

We have been told for many years that the railways are essential to the well-being of the nation and her people. This fact has once again been proven through the last few weeks, especially during the days of the total shutdown. It is, therefore, also essential that the members of this parliament remember that the railway workers are essential people in our economy and must have the right to a decent living wage, good working conditions, reasonable pensions, and job security.

I think that every member must realize that every hour during which the Canadian railroads remain paralysed worsens the tragedy which is affecting millions of our citizens. Right at this moment more than 1,200 men, women and children are stranded on Cape Breton Island, desperate for transportation to Newfoundland. The establishment of immediate ferry services between North Sydney and Newfoundland must be considered an absolute priority. Crews must be provided to man ferry services immediately. The amount of mental suffering, agony and anguish is already beyond belief.

Western farmers must have their grain shipped to markets throughout Canada and internationally. Interruption of essential transportation links with our island provinces and with Vancouver Island has serious implications. Workers all across the nation are being laid off and great financial losses are bound to result.

All the railway workers realize the hardships their strike is causing. They also know that in terms of dollars per week they do not take home enough money. These workers are responsible people who are only looking for a fair and just settlement without the use of the only weapon which they usually have, that of the strike. Having talked to hundreds of workers, I am convinced that the men and women involved do not like the idea of a strike. All they want is the right to work and earn a decent living wage so they can maintain their homes and raise their families at a decent standard of living.

At the present wage level, I am told, many rail workers do not even qualify for a National Housing Act loan. Mr. Chairman, it is unthinkable that in this great country of Canada many employees in an essential service cannot afford to own the roof over their heads. This is what married life is all about: this is the dream—the right to work hard to save a down payment, followed by the purchase of a home of a married couple's choice and then, again through the process of hard work, to pay for the house and also to make improvement to it, all the while making monthly payments.

I must say that the railway workers are all hard working, responsible citizens. During the war years many of them responded to the call of their king and country so that our way of life would not fall and our right to freedom would be maintained. Also at this time all the railroad unions agreed not to strike. The membership of the non-operating unions, shopcrafts and running trade unions agreed to work longer hours. These were all very patriotic gestures, but since the war all these good deeds have been forgotten. The workers have fallen behind other workers in wages as well as working conditions. Mr. Chairman, these workers, all solid citizens, are working for wages in the lower brackets. I think it has to be said that this group of workers has been very patient since last November and they have waited a long time. I know these men are law-abiding people.

For a moment I would like to imagine something. What I would pretend at this juncture is that I am an arbitrator. What I will relate to you is the way in which I would approach these talks as an arbitrator. First, however, we must note that I am certainly no arbitrator. I am one of the little men. I was one of the men who worked for these meagre wages. I am not a mediator or arbitrator who receives $50 per hour or $250 or $300 a day for the sole purpose of recommending what workers should receive in terms of benefits. However, it does raise the point that I may be in the wrong business.

Maybe, indeed, we should all take a look at the field of labour relations. At any rate, given that I were an arbitrator, I would approach the wage situation as follows. I would work on the principle that the workers' wages should in some way reflect the annual growth in the company and in the economy. I know quite well the growth which has been achieved in our gross national product. I know equally well the growth in revenue experienced by both CNR and CPR. I am also quite aware of the subsidies which are provided to them.

As an arbitrator, and being conversant with management and labour's position in this case, I feel that many of the workers' requests are not unreasonable. The average

wage of non-operating railway workers is $3.54 per hour. That is $141.60 per week, with a take-home pay in the neighbourhood of $100 per week for the employee. Some take home a little more and some take home a little less. But you do not need a BA, an MA or a PhD to know that workers who have families to support cannot make ends meet on the wages they are presently receiving. We must remember that $3.54 per hour is the average. Some of the employees work at rates of pay as low as $2.32 an hour. The welders, steel bridge gangs and bridge tenders work for around $4 per hour. If the non-operating workers are so essential, surely they should be compensated for their labours.

• (1740)

As an arbitrator, I would also remember that members of these unions also form part of the general public and the public interest, a phrase members of the opposition parties have bandied about. They are taxpayers, and also heavy consumers. We must never fail to remind ourselves that in our society today, as always, it is the working person whose purchases make the wheels of industry turn in this country. Thus, the money spent by millions of workers filters down to the transportation industry through the hauling of goods that these workers help to produce.

Given the state of affairs I have outlined, if I were an arbitrator I would certainly look favourably upon increasing the men's salaries above that which is being sought as a floor in this bill. However, in saying that I must repeat my earlier comment that I strongly believe the temporary measures and the minimum increase in retroactive pay placed before this parliament represent a fair process through which the railway workers can get a better deal.

In arriving at an exact figure as to what wages should be, definite consideration must be given to the industrial inquiry commission's report on the exact cost of the pension package. The arbitrator will also have to take into account increases in the cost of living. This is how I would act if I were an arbitrator and this dispute were put before me.

I should like to make one point perfectly clear at this time. I feel the bill before us is the tool by which a fair and just settlement can be reached. This bill should facilitate a settlement which is just and fair for the worker. Strikes are not the answer to labour disputes. Both sides, labour and management, in addition to the general public, suffer. If we can send men to the moon, surely we have men in this democratic society of ours who can sit down and come up with an idea that is fair and just to both sides to a labour dispute, so that we can eliminate the problems facing the most precious and valuable asset this country has—its working people.

Mr. Fraser: Mr. Chairman, I will be brief. I had hoped the Minister of Labour would be in the chamber at this time as I should like to ask him a question. As he is not here, I will address it to his parliamentary secretary. Before coming to the question I should like to say that, speaking on behalf of the non-operating workers in the area of my home in British Columbia, there is no question whatsoever that these workers are badly behind in terms of wages paid to people performing the same kind of work outside the railway trades.

I will give some examples because the disparity may be greater for those people in British Columbia than in other parts of the country, and I recognize the arguments used that wage settlements have to be on a national scale and applied equally everywhere. All hon. members ought to realize, when considering this question, that there are regional disparities and that an award that may be sufficient in one area is not necessarily sufficient in a high-cost area. This is a problem somebody will have to look at. I hope the minister will do so because I think it will recur.

At the moment, in Vancouver a man working for CP Transport as a warehouseman gets $3.50 an hour, but outside the railway trades a man doing exactly the same job gets $5.05 an hour. A warehouseman-tractor driver for CP Transport gets $3.54, but a man outside the railway trades gets $5.15 an hour. A rate clerk gets $3.69 an hour, but outside the railway trades he gets $4.95 an hour. A CP switchboard operator gets $3.15 an hour, and outside he gets $4.33. If there is a member in the House who does not see that these people have fallen a long way behind, he should see me after my speech and I will give him the rest of the list. They are behind, and something must be done.

The second thing I want to say is this. I hope all hon. members will support the amendments put forward by this party, and I hope all the people who are presently on strike will recognize that this bill, if these amendments are adopted, will at least provide a decent base upon which to continue negotiations. The amendments to be proposed by this party will ensure that negotiations cannot drag on indefinitely.

The Minister of Labour in his statement yesterday referred to the establishment of an inquiry into railway pension plans. As some hon. members know, pension plans in the railway industry have been for a long time, and still are, causing great concern to workers in the industry. Also some hon. members know, an association has been established called the Canadian Railways Employees Pension Association, the purpose of which has been to bring the pension matter to the attention of the public, to the Department of Labour and, I am sorry to say, the leaders and the members of the unions within the railway trades. The Minister of Labour said:

> —I intend to appoint an industrial inquiry commission . . . to estimate the cost of the negotiated settlement relating to pensions, and comment on any differences between his cost-estimate and that of the railway companies.

Earlier this afternoon the hon. member for Winnipeg North Centre asked the Minister of Labour whether this inquiry would consider the total pension problem within the railways. I am happy to see that the Minister of Labour is now in the chamber. As I understood the minister's answer this afternoon, he suggested he would be willing to have his appointee look at more than just the question of whether the estimate of cost as put out in negotiations to date is necessarily accurate. In this regard I want to bring to the attention of the minister the fact that as recently as last July 27, in a publication put out by the British Columbia branch of the Canadian Railways Employees Pension Association, the position of this associ-

ation on the matter of pensions, funding, advantages and benefits was put as follows:

● (1750)

The railway companies and the bargaining agents are all spreading the same propaganda about the new pension formula being a 2 per cent formula. Many of the statements made are misleading. Tens of thousands of railway employees will retire with railway pensions of 1.3 per cent for each year of service, not 2 per cent as many believe.

I am not for one minute saying that is accurate or inaccurate, because I do not know. But I do know that the contributions the companies are making to the pension plan, as opposed to the contributions being made by the workmen, represent a substantial disparity. This is also a matter of great concern. I think it is proper to bring to the attention of the minister the fact that evidently a press release has been put out today by the pension association. I am sure the minister is aware that there are over 20,000 such people in the country. The effect of the press release is that they want the terms of reference of the appointee the minister has referred to broadened so that his inquiry will include all aspects of the Canadian National, and I suppose they mean also the CP, pension fund.

So my question to the minister is, can he give us some assurance that this whole question will be gone into? If the minister does not want to go that far at this time, can he give us the assurance that he will meet as soon as possible, which means almost immediately—and I recognize the demands on his time at the moment—with representatives of this pension group so that immediate negotiations can take place with a view to setting up an inquiry to end once and for all this running sore; because the complaints the pensioners have are justified or they are not? It seems to me—and I think all hon. members will agree—that it is now time to advise these people that the problem will be independently considered and settled.

Mr. Munro (Hamilton East): In answer to the hon. member for Vancouver South, may I say that I indicated earlier today to the hon. member for Winnipeg North Centre that the very significant improvements that were made to the CPR and CNR pension plans were signed, sealed and delivered, so to speak, in March as a result of a lot of work that had been done. These were agreed to by all the leaders of the railway unions. This was a significant improvement going back to 1956.

What the pension association and some members of parliament, including the hon. member for Winnipeg North Centre and the hon. member for Vancouver South, are asking is that we now take a further look at the benefits structure and the over-all plans to see whether they can be improved over and above the improvements agreed to in March. That is a quite legitimate suggestion.

Mr. Knowles (Winnipeg North Centre): With reference, of course, to those already retired.

Mr. Munro (Hamilton East): Yes, with reference to those already retired. I think this is quite a legitimate position, but I do not think it can be accomplished relative to the bill before us today. I think we would have to go into all sorts of questions. The parties should be consulted in that regard. There is the question of whether it could be done through a joint committee, something similar to what was done before with assistance from governmental officials, if you like, from my department and the Department of Transport.

If it should appear that is not the best method, then perhaps an industrial commissioner should look into the whole broad question. So, as I assured the hon. member for Winnipeg North Centre I am now assuring the hon. member for Vancouver South that I would be prepared, as would the Minister of Transport, to bring the parties together to see what further significant changes can be made to improve these pensions.

If this can best be accomplished by an industrial commissioner, I have already indicated that I will consider that. At this stage, however, I do not think this should be confused with what is pertinent now, relative to the dispute before the House, that is, the whole question of costing. As a result of representations made to myself, particularly, by the unions, it seems they had considerable suspicion concerning the costing figures of the CPR and the CNR and asked that these be analysed quickly. If the assumptions of the actuaries, and so on, were accurate and the figures of the company were exaggerated, they wanted it all examined quickly, in the event that an arbitrator is appointed under this legislation, so that he could get the views of the industrial commissioner immediately. This might be very beneficial to the workers, because if they could establish that the figures of the railway companies were exaggerated, the arbitrator could take that into account and it might benefit the workers in respect of wages and other matters in dispute.

This could be pretty important. I can tell you it is very important in respect of the union leadership in this particular dispute. So if we, in a too hurried fashion, impose upon the industrial commissioner who was appointed yesterday, John Deutsch, other duties, we would be very concerned that not enough discussion had gone on and that this might delay his coming to a conclusion concerning the accuracy of the costing that has been arrived at by the CNR and the CPR and would delay the turning over of his findings to the arbitrator appointed under this legislation.

I think we must keep in mind that in the unhappy event, which now seems inevitable, that an arbitrator will be appointed under this legislation, it is important that he get his decision out quickly. If these men are to receive a further increment in wages and have other matters resolved, they do not want the same type of delay that has already occurred. That is the reason for not broadening the terms of reference of this particular industrial commissioner to include the subject about which the hon. member is talking.

I also indicated earlier that in respect of the costing analysis to be done by John Deutsch, I have received representations today as to how his terms of reference can be further improved. I hope to be able to give all hon. members further details on that particular matter later today.

The Deputy Chairman: It being six o'clock, pursuant to special order made earlier this day I do now leave the chair until 8 p.m.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Assistant Deputy Chairman: Order, please. The House is again in committee of the whole on Bill C-217. The hon. member for Saskatoon-Biggar has the floor.

Mr. Gleave: Mr. Chairman, I just want to say a few words in respect of the pension issue. The hon. member for Vancouver South quoted the minister on the pension issue, but it could stand being mentioned again. The minister said:

> Consequently, I have appointed an industrial inquiry commission pursuant to Part V of the Canada Labour Code, to estimate the cost of the negotiated settlement relating to pensions and comment on any differences between its cost estimate and that of the railway companies. I might add that today I appointed Dr. John Deutsch to be the industrial inquiry commissioner to conduct this inquiry.

I have respect for Mr. Deutsch. As a matter of fact I served on the Economic Council of Canada at the time when he was chairman, and I find him to be a man of considerable ability. I wonder what role the representatives of the unions will play in this inquiry. Will they have the right and the privilege of appointing members to this inquiry? This is one of the matters which the minister may wish to clarify.

I want to say to the committee that in the time that I have been a member of the House the men who work on the railroads have expressed a profound dissatisfaction with the administration of the pension fund by the CNR and by the CPR. The CNR of course is owned and run by the people of Canada. If the minister or this government think that they can divorce the matter of pensions from the over-all settlement of this rail dispute, then let me tell them that they are wrong.

Let me point out that in the election of 1972 the railroad workers called a meeting to which they invited all the candidates who stood for nomination in the constituency of Saskatoon-Biggar in that year to appear and talk to them. Let me say, for the information of the Creditiste party members, that one of the nominees who appeared there was a member of their party. I may say that being a Creditiste he would have received no cheers if he had advocated the policy which the members of that party have advocated today in the House. They understood the situation all too well.

These men wanted to know what the pension fund was, what their share in it was, and what their benefits were going to be. They no longer easily accept the idea that they are putting money into a fund which they do not control and, worse than that, of which they do not even have an accounting. They no longer accept that sort of approach. Also, they are far ahead of the management of CNR and CPR in that they know it is not necessary for a man to work until the age of 65 in what is essentially an arduous occupation. They know that it is not necessary. They know that there is a sufficient work force in Canada for them to be able to take a pension at a younger age if they so wish, and that they should be able to obtain the kind of pension which would give them a decent standard of living. They are not prepared to end their days in poverty.

I say all this to the committee in the hope that some hon. members who are not closely associated with the people who work on the railroads may have a greater understanding of their thinking. This is what the railroad workers are saying to me when I meet them. They should have the right to know what is in their pension fund, and they should have an accounting of how much money is available in it because they are putting money into it. They should have the same rights as has the shareholder in a corporation or in a co-operative.

They should know how much money they have put in, how much is available and what rate of interest it is earning, because it is their money. They are not getting this information. If the Minister of Labour institutes an inquiry and if it is not going to bring to these men on the railroad the information which I have described, he will find that they will not be satisfied. They are very sceptical even of the proposal that was put before the general chairman and which the general chairman recommended to the men working on the railways. They may have to accept it, but I tell you that whether they voice that protest or whether they do not voice it they will accept those recommendations under protest. They wanted to appear before the Standing Committee on Transport and Communications but they did not have the opportunity to do so because the government did not refer the CNR financing bill to the committee in the last session. Why? Why did it not do that. Why did the government not put before the Standing Committee on Transport and Communications the matter of CNR financing, so that it could be examined?

• (2010)

Representatives from the constituency of Saskatoon-Biggar wrote to the chairman of the transport committee, the hon. member for Crowfoot, and asked for the privilege of appearing before that committee. They were never given that opportunity, because the government would not put the CNR financing bill before that committee, and that committee sat in idleness. This government wanted it to sit in idleness.

The government did not want public hearings and an investigation into the financing of one of the largest businesses which the government controls. So, that group of railroaders who spoke for pensioners never had the opportunity to come before that committee and say "This is our problem. This is what we think, and this is what we know." They had even arranged to engage a man who was fully knowledgeable in this matter, but they did not have the opportunity to appear before the committee.

The Minister of Transport may again make impassioned speeches, as he did today, and tell us about the nitty-gritty of negotiations, but he has much to learn about railroading. If the government does not satisfy the demands of the

men who are working on the railroad, it will be in for trouble.

When you go to Saskatoon people ask, "Why did the CNR sell the hotel in Saskatoon?" We have been given no answers. I wrote to the Minister of Transport 10 days ago, but he did not even have the courtesy to answer my letter and tell me why the CNR sold its hotel in Saskatoon. The citizens of Saskatoon are asking this question. The minister has not answered, I suspect, because he does not know. Apparently the CNR can build a needle in Toronto, but it cannot maintain the single hotel it had in Saskatoon.

An hon. Member: The city of Toronto got the needle.

Mr. Gleave: The city of Toronto said it would have the needle. I suspect the people there are right. However, that is an example of the kind of indifference displayed both to the railroaders and other citizens in my constituency, and no amount of rhetoric on the part of the volatile Minister of Transport will cover that indifference and contempt which have been shown and which are still evident here tonight. The government will have to do better than that.

As has been said before, the government has brought the farm economy of western Canada to a standstill. Grain is not moving. The elevators are full. Feeder cattle are moving south to the United States because there is no means for moving them east in Canada. The government has slapped export controls on fat beef and pork which would move to the United States, and has not considered what ought to be done now that rail transportation is at a standstill. One wonders if ministers really know what is going on and what the people of Saskatchewan are really thinking. There is a foul-up in the feed grain market, to such an extent that no one knows what the real basis of pricing is.

An hon. Member: Otto knows.

Mr. Lang: It is up 30 cents.

Mr. Gleave: You know, when we asked the minister responsible for the Wheat Board and the Minister of Agriculture to appear last night, they did not appear.

Mr. Lang: Where?

Mr. Gleave: In this House. I am not surprised that the minister did not know that. That is part and parcel of this government's total indifference. It slapped an 18-month freeze on freight rates, without regard for what is to happen, because it was too damn much trouble to consider freight rates item by item, and policies item by item, to see what would happen if certain things are done.

Mr. Lang: Are you against the freeze?

Mr. Gleave: It is like the freeze of the Conservatives. They propose a freeze on over-all pricing.

Mr. Lang: Are you against this one?

Mr. Gleave: It is like taking a sledgehammer to swat a fly.

Mr. Lang: But this is not a fly.

Mr. Gleave: Let me say this about the pension program, Mr. Chairman, if this House can persuade the minister to carry out a full investigation into the pension plan of the CNR, it would be doing something useful. I will tell him what the railroaders of my constituency say and think. They think the CPR exercises a veto over any move that the CNR makes with regard to pensions. That may be true, or it may not be true. I think they are right. That is what those people think, Mr. Chairman. If the minister and his assistant from London, Ontario, do not know this, I am very surprised. I think most of the railroaders know it, and they will tell you if you ask them.

We want to get away from the situation in which a private company which is not responsible to the people, but which has received millions of dollars from the taxpayers of Canada, exercises a veto against policies that this government or parliament may set with regard to Canadian National Railways, which is owned and financed by the people of Canada.

I see that the Minister of Transport has left the chamber. I do not think it matters much. He was not paying attention. Anyway, he does not answer letters. I do not think he gives a damn about what happens in western Canada anyway.

An hon. Member: Certainly he cares. The government cares.

Mr. Gleave: If it cares, why did the CNR sell the only hotel it had in Saskatoon, eh? How much did the friends of hon. members opposite pay for the hotel? That is what the people of Saskatoon would like to know. When will you tell us how much your friends paid for the hotel? When will members opposite come forward with records, because we are waiting to find out? And do not be so sure that the people of Saskatchewan are going to forget. They are not going to forget. You ignored the people. You refused to put the item before the Standing Committee on Transportation so even that committee cannot find out the facts. You do not want us to know the facts because you cannot bear to see them exposed to the public. I am saying to you in this House what I intend to say out on the hustings, so be ready to answer.

• (2020)

[*Translation*]

Mr. La Salle: Mr. Chairman, I would like to add my modest contribution to the consideration of the bill before the House.

That bill is designed to bring railway workers back to work as soon as possible, Indeed, I think that the consequences of that dispute have been assessed in many ways, sometimes with partisanship, sometimes very objectively.

I believe, like all hon. members, that it is unfortunate that the government should have to legislate on such a matter. All hon. members nevertheless have respect for the worker, regardless of what some here may think, who believe that they alone are interested in safeguarding the interests of the worker. I think that all members want to give workers their fair share and do them justice. Of course, it is easy to play politics with such a debate. The Standing Orders of the House specifically allow members

to make foolish remarks, but they do not have to. Therefore, I shall try not to do so, Mr. Chairman.

I think that we must also consider the growing concern of the people over the dispute. They want to know whether the government has acted in a cautious way at the appropriate time. It is very easy to condemn the government for not having acted sooner. We now have had the opportunity to listen to several hon. members and to acquire certain information. If the government has not up to now adopted rigid positions, it is because it wants to leave this to the responsible parties in the dispute. In fact, I wanted to give them time to explain themselves and to find a solution through the present negotiation process without necessarily coming up with the bill now under study.

On the other hand, I would be tempted to say, if I wanted to act in a partisan way, that the government waited till the population demanded the adoption of legislation to justify its position. I honestly think that if the two parties do not come to an agreement, considering the great difficulties and the inconveniences that this dispute has caused to the Canadian population, it is absolutely necessary that the government should legislate.

Therefore, the population expects action from Parliament and not necessarily from the government. I think this is where the role and responsibility of each hon. member comes into play. What should each member do and what should be the attitude of Parliament? We know perfectly well that the government needs a majority to adopt a bill and I think that, as hon. members, we must consider in a very objective way the interests of society.

Therefore, it is not time to rejoice from the embarrassment that this has caused to the government. It is not a question of finding out if the official opposition could find there some political capital. It is not either a matter of showing, as the NDP is doing now, that the workers are opposed to the bill, which would be close to political partisanship. I think that what is important now is that the people have proof that the members of Parliament are behaving as administrators in the case of a dispute which is so expensive for the country. It is this way, I think, that Parliament will regain confidence from the people.

Therefore, in the case of this dispute, it is the interests of society which must concern us and guide our decisions. I know some amendments will be moved. I therefore appeal right away to hon. members, to the government: be objective enough to accept amendments that can help the workers and do justice to all interested parties.

Now, I feel it is imperative that the government should see the problem in that light. It is also imperative for the parties of the opposition to present amendments that are truly objective and not merely of such a nature as to prove, in an eventual election campaign, that one party was more favourable than another to the employees concerned in this conflict. To my mind, we will not deserve the respect of the people if we do not hold the government responsible for all the difficulties the employees are now up against.

The Minister of Transport (Mr. Marchand) stated this morning that we are not here to solve the conflict but to bring back order. We also know that this bill will not

necessarily solve the problems of the workers. It will enable the parties to resume negotiations in the hope that they will reach an agreement. It seems to me that through the proposals made on both sides the initial stands of the interested parties can be drawn closer together. I hope that a satisfactory settlement will be arrived at for the employees, as we should protect them. We also know that we should be realistic as regards the possibilities of the companies concerned.

● (2030)

I could also avail myself of this opportunity to blame or to invite the government to watch closely the problems, as stated by the hon. member who preceded me, as far as the pension fund is concerned. I too have seen employees who are affected by this dispute and are far from pleased with this plan. Other employees told me about sick leave, a field where glaring defects exist. Therefore, I shall limit my remarks to those two problems which directly concern those employees by inviting the minister responsible to correct the situation for the good of the employees and bring about the justice to which they are entitled.

Like many others, I am inclined at the outset to be greatly disappointed with the slowness of negotiations; we are naturally inclined to blame the government for its failure to establish negotiation mechanisms capable of bringing those negotiations to an end within the stipulated time. It is hard to accept that a group of workers should have to finance an eight or nine-month retroactivity period. It is absolutely unfair. On the basis of that consideration I stand, of course, on the side of the employees who complain that they have to finance salary increases which come with a year's delay. To what extent have the companies concerned in those disputes benefited by those amounts of money they did not have to spend during those months? They certainly made profits. When the settlement takes place, and I hope it will be acceptable to the employees, there will surely be a retroactivity period, but what guarantee or what compensation will be given, for instance, to the employees who lost a salary increase during eight or nine months? The bill does not mention it and I feel that we should consider the possibility of compensating the employee who has lost money during a certain period. The company has surely collected interest on that money. It is therefore a glaring injustice suffered by the employee. We must ask the government to set up some permanent consultation procedures to carry out the negotiations within the prescribed time.

I learned this afternoon that there was something more important than the negotiation procedures and the information made sense to me. It seems that it is still more important to provide unions with information on productivity; the unions should obtain data on future markets. We are well aware that during negotiations or when a union is seeking a salary increase for the employees of a certain industry, the large companies have the necessary means to obtain data on future markets. It may be that when a company readily accepts a settlement it is in its interest to do so; the union being unaware of that is pleased to see the negotiations concluded in such a short time and feels that it has made a good deal. However, since the company has information on the future market and well-grounded information on the general productivity, it

realizes that it is advisable to sign a collective agreement today, aware that it will make additional profits tomorrow.

I think I am well justified in claiming from the government the possibility of organizing information mechanisms at the union level. Of course, the unions of Ford or General Motors are well enough organized to have research offices. But thousands of small unions do not have enough information to be able to discuss at the same level as the company. And, of course, the unions and the workers are discriminated against.

I think it is important to ask the government for information mechanisms so that the unions be able to discuss, given equal datas, at the same level as the employer. I think that the unions would then have the necessary information to ensure the future of Canadian productivity. We must ask the government to modify the consultation mechanism.

But if we were to limit ourselves to the development of a consultation mechanism ensuring the negotiation of a settlement within the time prescribed without taking the productivity into account, it would be wrong because the unions do need this information at the production level.

And the information that has been given to me on the subject allows me to believe that it would be of great help to the unions, to the employee, if they were given the same information as the employers.

I felt I had to rise in this debate and since I want to be very practical and very brief I would also like to ask the government to give particular attention to subsidies granted in respect of railway transport. I know that those subsidies are necessary. The freeze on rates was put into effect but we know that there are two means of transport in Canada, rail and trucking.

Recently the president of the Quebec Trucking Association, Mr. Archambault, made his views known to the right hon. Prime Minister (Mr. Trudeau). I have here a clipping from a newspaper which gives details on the subject:

> In his letter to the Prime Minister Mr. Archambault stresses that the government must not favour a policy which boils down to "two different sets of weights." If Ottawa subsidizes the rail industry every time there is a strike or a labour dispute it will have to grant the same privilege to trucking companies when they are faced with a work stoppage or tough bargaining.
>
> The people of Canada actually have two modes of ground transport, rail and trucking. To subsidize only one mode is to prejudice the other.
>
> The Quebec Trucking Association is asking the federal authorities to "put an end to the exclusive privileges granted to railways." It adds that the current situation should not lead to further paternalism in that field.

So I think it is important to point out that request made by the Quebec Trucking Association. That association and its members who drive the trucks are also entitled to some security.

Of course, the government must consider the subsidies necessary to maintain the rates at their lowest level but, if it does not want to have problems in the field of trucking, it must also grant that industry subsidies allowing it to compete with railway systems.

Mr. Chairman, I believe that I had to make those comments and to be practical I say that I agree with the bill even though I regret that the government is forced to follow that course of action. I hope that the railway workers will understand the necessity to resume operations and that they will respect the legislation that we will adopt within a few hours.

I hope also that the bargaining process which will follow the passage of the bill will produce a satisfactory and acceptable minimum. And because we have been summoned to discuss that legislation and that apparently Parliament will sit again next week to deal with the cost of living increases, I will keep my comments for next week.

Mr. Chairman, I wanted to make that brief comment with the hope that the government will pay special attention not only to a legislation calling back workers to work but that it will invite the executives at the bargaining tables and that the minister will improve some imperfections and unfairness in respect of those employees.

If hon. members show the objectivity that the population is waiting for and is requiring, I believe that the government will have taken the right step. If it has not enough motivation, it will effectively obliged to do so. But I hope that the government will not wait for that. Through the co-operation of all members, and with the proper objectivity, we will succeed in suitably improving the lot of those workers.

[*English*]

Mr. Peters: Mr. Chairman, I regret again being here to order the railroad employees back to work. This is not the first, but the third time I have been here on such an occasion. I find this occasion even more distasteful than the others. For the past seven or eight years, and during the last two in particular, the government has shown absolutely no interest in the railroads, how they operate, their financial structure, pension plan or anything else.

• (2040)

The contribution made by the government to the railroads in Canada has been the addition of a relatively small number of hopper cars to the rolling stock in western Canada and the introduction of a new ferry here and there. I am sure the government and members of the Liberal party who sit on the transport committee have concluded that the railways are not very important in the national scheme of things. Yet when the railway workers go on strike for two or three days there are cries from all parts of Canada about grain piling up, about shortages of food, about people starving.

I was very interested in the comments made by members who come from Prince Edward Island and Newfoundland. I have been to both of those islands. They are very attractive. Certainly, the people who live there try to sell the idea that they are very attractive. Yet they have been raising hell because people who went to visit those islands found that their stay has been extended. I would have thought that the hospitality of the islanders was such that they would make these people welcome and enable them to pass a very pleasant stay, rather than having all this fuss.

The railroads only become frightfully important when something happens to prevent their operation. Few mem-

bers of parliament have shown the slightest interest in the fact that maintenance of way crews have been largely removed. They have shown little interest in the fact that seldom a day passes when there is not an accident on one of our railroads, that seldom a day goes by when there is not a derailment somewhere or other simply because the railways are being poorly operated and because insufficient maintenance of way personnel are employed.

In most cases the companies have got rid of five out of six of the section gangs, the people who used to walk the rails to determine whether it was safe to run trains over them. Now they run an inspection trolley over the lines twice a year and this process decides whether or not the rails are safe. Nobody cares a damn. Nobody cares about the accident rate. Nobody seems to care about the railways at all. The government spends a lot of money in Rockcliffe establishing a STOL airport so that people can fly between Ottawa and Montreal, despite the fact that a train could travel from Ottawa to Montreal much faster than passengers could make that journey by aircraft, counting time taken for travel at both ends.

But nobody cares. Nobody is interested in the railway. Nobody seems interested in the fact that the railways are not carrying passengers any more, that we are not using the railways to the best advantage. Nevertheless, when there is a strike, everyone gets alarmed and the CPR calls in its friends, the government, to do something about it. The companies are not interested in negotiating. Indeed, the workers have not been interested in negotiating on occasions. I think it can be said in connection with some of these contracts that the union has been willing to drag its feet hoping the government would make a decision.

Most members of parliament have not looked at the financial statements of the two major railways. Today they are making money hand over fist, just as the banks are. They are making a fortune. The government has not even asked us for the money needed to pay the interest on the CN debt for the last two years. Maybe the company is making enough money to afford to pay the interest without the benefit of legislation.

There is another problem which parliament has not faced, and it has to do with pensions. Other agencies in Canada have been told that in order to be acceptable for income tax purposes, a registered pension plan must be vested. This has not been done in the case of the Canadian National. We have said to the CN, "Just put in an IOU." The company borrows the money paid in by contributors and invests it to do all sorts of things which are not necessarily in the interests of the workers.

I have heard a number of people say they have helped to negotiate contracts. Everybody knows all about the way in which unions or companies should be run, when it comes time to settle a strike. That is not important. But what the Minister of Transport said today was important; and if he thought it was important, why should we not act along the lines he suggested? He said we should allow the unions and the companies to negotiate, that they should use the strength they have. The financial position of the railroads is not bad at the present time.

So far in this debate we have listened only to those who say we must get the railroad workers back to work. Nobody has mentioned an alternative. In my riding there are railroaders employed by the Canadian National, the Canadian Pacific and the Ontario Northland Railway. These people are interested in running the railways, but they are also interested in achieving some dignity while they are working for these companies.

Let me give hon. members some figures. In 1950 the Ontario Northland Railway employed 2,500 workers. Today it has less than 1,600 employees. Its pension plan is fully vested. The government of Ontario has made a commitment to put in nearly $1 million a year in addition to other contributions to the plan. But check the figures contained in the financial report of Ontario Northland and you will find that the average wage of all the employees, including the supernumerary people in Ontario, all the hangers-on in the Ontario Railways Commission, is only $8,500 a year: and some of the supernumerary people are getting between $35,000 and $40,000.

There are many in my area who make less than $4,000 on the railway. No one can say this is a reasonable amount of money to earn. I agree there comes a time when the public interest becomes so important that one has to override principles. I am sure there are few women who, if they were offered enough money, would not put principles behind them and take the money.

Some hon. Members: Shame!

An hon. Member: Explain.

Mr. Peters: Mr. Chairman, I might have overstated the position.

Some hon. Members: Oh, oh!

Mr. Peters: The argument I was trying to put forward is that there is a point at which all would agree that a settlement should be arrived at. The suggestion I make is that we have not yet arrived at that point; we have not allowed negotiations to continue up to that point. If we decide to satisfy all the people in this country who believe that the railways are important and that the railways should run, we must do better than the workers would have been able to do for themselves, because we are asking them to do something on behalf of the public which they themselves did not want to do.

• (2050)

I have talked with many railroaders and I know they want to go back to work with enough wages so that they will again be in a position to hold up their heads in their communities. There was a time when railroaders were the top blue-collared workers in Canada, but that is no longer so. Many of them earn less money than a garage worker, a plumber or an electrician. In fact I am sure that in many cities these men earn less money than a garbage collector.

We represent the people of Canada and the people have an interest in this strike. I suggest that before we pass this piece of legislation each member should consider increasing the amount that is proposed. When the non-operating unions began negotiations many months ago they put forth a number of proposals they felt were fair and just.

These people have suffered as much as anybody else from the high cost of living, and I suggest that whatever

we give them should be accompanied by a guarantee over the lifetime of the contract so that at the end of 1974 their standard of living will be maintained. I am sure this would be salve to my conscience as well as to the consciences of the people of Canada.

The people of Canada are not opposed to the railway workers getting a fair deal. What they are opposed to is the inconvenience they have been put to in relation to the operation of our national transportation system. I am sure they find no satisfaction in the fact that this government has had to recall parliament to ask for a piece of back-to-work legislation which provides only the minimum sought by the workers when they prepared their proposals probably 18 months ago.

I suggest that if parliament wants to be fair to the Canadian public it will accept the responsibility of putting these men back to work on the terms we propose in respect of wages, with a guarantee that their standard of living will be maintained to the end of 1974. The only way that can be done is including an escalation clause based on the cost of living, and I am prepared to move such an amendment.

Within 10 or 15 years in my area we have lost 1,000 of 2,500 employees of the railway, and seniority is now a major issue. These men want to be sure of their jobs. I do not think this is a matter that should be left to compulsory mediation or arbitration. I believe we should solve this problem.

I am prepared to say that for humanitarian reasons, if for no other, there should be two men in the caboose.

An hon. Member: Oh, come on!

Mr. Peters: I presume the hon. member disagrees. I can remember when trains only had 40 or 50 cars, but now trains have as many as 80 or 90 cars. These trains operate with as many as four units. They are being operated with one engineer, probably one fireman and a head-end brakeman. They have one guy in the caboose. The railways now want to get rid of another man on each of these trains. I suggest for humanitarian reasons there should be two in the caboose, because that guy a mile back has to stay there for seven or eight hours.

An hon. Member: Give him a tape recorder.

Mr. Peters: Mr. Chairman, I hope the railroaders hear these remarks and realize how much sympathy they will get for their solitude from members of the Conservative party, who probably now feel there are too many people in the caboose. I suggest they are discounting the safety factor. The best they can do is suggest we give that man in the caboose a tape recorder.

An hon. Member: Let's settle the strike.

Some hon. Members: Hear, hear!

An hon. Member: Get out of the caboose.

Mr. Peters: These men in the caboose will get little comfort from a tape recorder. An hon. member suggests that we should settle this strike at any price. He reminds me of Chamberlain who said: "Peace at any price". An hon. member wants peace at this time at any price so he can go home, but I suggest this is too important a problem. Parliament should not pit constituents across Canada against workers employed in this industry. We must not only be fair, we must appear to be fair. In fact, we must be more than fair.

We have a responsibility to solve these problems which face the railroad worker, one of them being this matter of seniority, and another relating to the number of men in each train crew. A great many non-operating employees have lost their jobs through attrition. In my area I suggest this would be four out of five, and I am sure that is the situation in many other parts of rural Canada. I think this reduction of crew through attrition has reached the point where safety becomes an important factor, particularly if there is to be any further reduction in this area. Members of parliament should be better informed before making decisions in relation to the curtailment of railway staff. This is not the time to make such a decision.

This government has not placed the CNR annual report before parliament for consideration. I suggest that until the Minister of Finance gets off his fanny and appoints some new auditors, and places an audited statement before parliament, we will not get around to discussing these problems. Such a consideration might have been of assistance to the railways and the workers in this situation. I will not be satisfied with this legislation until we provide a guarantee to the workers that they will be no worse off in 1974 than they are after we pass this bill. As it stands now we will have implemented a contract by law, and will have taken from these workers their process of labour negotiation. Any settlement less than what I suggest would represent a shirking of our duty to those constituents we represent across Canada.

Clause 2 agreed to.

Clause 3 agreed to.

On Clause 4: *Railway services to be resumed.*

Mr. MacDonald (Egmont): Mr. Chairman, I rise to speak briefly in respect of Clause 4 as it has a specific application and concern to those who represent the two island provinces on the east coast of Canada.

I was very delighted when the Prime Minister, making his speech to the nation earlier this week, referred specifically to the extreme transportation difficulties faced by Prince Edward Island and Newfoundland. I was somewhat less delighted when the Minister of Labour in making his opening remarks in this debate yesterday did not make reference to the particular difficulties created in those two provinces.

Earlier today one of my colleagues from Prince Edward Island asked the Minister of Transport, who unfortunately is not here this evening, whether we have now seen the last of these disastrous strikes and the specific effects they have in those island provinces. During my term here in parliament, which has not been that long, we have twice experienced the serious effects of a dislocation created by a strike by workers providing basic transportation services to and from Prince Edward Island and Newfoundland.

● (2100)

I think it is incumbent upon this government, in addition to the reply by the Minister of Transport earlier today, to give an undertaking to the governments of both Newfoundland and Prince Edward Island—which by the way, acted in a very similar manner in respect of the suspension of basic ferry services to those provinces—that in the succeeding weeks and months a definite agreement will be worked out with these two provinces so that they will not in future be faced with the kind of strikes that cause serious economic harm not to just one segment of the society in either of these two provinces but in a total way. It has been mentioned already in the newspapers and, I believe, in other ways that the premier of my province is taking court action to sue the federal government for its failure to continue service between the mainland and Prince Edward Island. I understand that similar action is to be taken by the government of the province of Newfoundland.

While this action shows in fact the seriousness with which these two governments view the suspension of service, I think you will understand Mr. Chairman, that it is not the basic requirement. What we must arrive at in the very near future is a solid agreement which will for ever and a day prevent a situation arising again where service can be totally disrupted. In the case of Newfoundland we see a situation in which it is virtually impossible for there to be any service in respect of goods or persons by water, and one does not have to conjure up much imagination to realize the disastrous economic effects being felt at the present time in that province.

My province of Prince Edward Island is not faced with a total blockage by water, because we do have the private service operated by Northumberland Ferries. However, the main Canadian National operation between Borden and Tormentine has been suspended. There is not only the problem that the suspension has gone on now for some days, but also the fear of that suspension which has been felt for over a month. One cannot describe the effect in terms of millions of dollars of business lost in our second largest industry, the tourist industry, plus the related effects to the farming and fishing industries and the effect this has on the other industries within the province.

I would suggest that at a very very early date the Minister of Labour and the Minister of Transport convene a meeting with responsible officials from the government of Prince Edward Island, as well as with representatives of both management and unions of the railways, to work out a new format and a new structure that will prevent this kind of disastrous result that is felt in particular by these two island provinces.

It is perhaps a truism to say that by the terms of confederation both in respect of the province of Prince Edward Island—which ironically is celebrating its centennial year of confederation this year—and the province of Newfoundland which is celebrating almost 25 years of confederation, a basic fundamental agreement was to continue transportation and communication with the mainland. That fundamental agreement has been destroyed. We must, in the context of working out the particular problem that affects the non-operating and other employees of the railways of this country, deal with the specific and very difficult problem concerning the ferry operations to Newfoundland and Prince Edward Island.

I would invite, in particular, the Minister of Labour to make a commitment this evening that as soon as we have dealt with the immediate crisis concerning the non-operation of railways that there will be convened at the highest level a meeting of himself, the Minister of Transport and responsible officials from the governments of Prince Edward Island and Newfoundland, and the railways, in order that we may arrive at a structure and method whereby we will not have to see an individual group of employees suspend the vital transportation link to these island provinces.

I do not think I would be a responsible member of this House if I did not receive that kind of commitment from the Minister of Labour and his colleague. Without that commitment, this kind of approach to end this crisis is merely a band-aid approach in respect of a fundamental problem that has become increasingly recurrent in the last two decades. In 1950, in 1966 and again in 1973 we have seen the kind of serious harm that results to the economy and society of these island provinces when there is in effect no continuous transportation or communication link between these provinces and the mainland of Canada.

Mr. Munro (Hamilton East): Mr. Chairman, I have listened attentively to the hon. member. I realize, as does the government, the tremendous inconvenience and indeed suffering in many cases to Prince Edward Island, the hon. member's home, and of course Newfoundland. I think really what the hon. member is getting down to is that he wants some assurance that a strike will not occur. In essence, that is how I interpret the hon. member's remarks. If he wishes to tell me otherwise, I will listen. In other words, he wishes assurance that a strike will not occur in those areas where such service is so essential to the survival of the people of islands such as he described.

We have already had some debate in this House in respect of how we can deal with strikes in essential services. I think the hon. member's leader indicated he would set up an essential services disputes commission.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): There have been other remarks in respect of the comments of the Leader of the Opposition relating to the Mills task force study. It might interpose various stages, but ultimately it comes down to the question of whether we are prepared in certain specific cases to deny the right to strike and impose compulsory arbitration.

No matter how we clothe it, and no matter how edgy we might be in respect of this fundamental question, I can answer the hon. member right now by saying yes, we could correct that situation assuredly so that it would never happen again. The answer to that type of question, some people would be prepared to say, is compulsory arbitration. In that way there could be assurance that there would be no suspension of essential services in terms of transportation to Prince Edward Island.

However, the hon. member's party is not advocating compulsory arbitration. No party in this House advocates compulsory arbitration. This points up the necessity that

there must be another answer than compulsory arbitration in dealing with some of these very essential areas which are involved, without denying the right to strike. In other words, the right would be there but the motivation for its utilization, hopefully, in the future would not be there.

Some time earlier I suggested in respect of a question asked at the time we were talking about bringing back parliament that we ought to bring together a group, when this trying matter is over, in which labour would be adequately represented, in an effort to come up with a technical answer other than the standard ones we have been hearing today. I do not believe an essential public services disputes commission, or the method the Leader of the Opposition was talking about in respect of the Mills study, is the answer because it is clear that it may involve, when it is essential and necessary, compulsory arbitration. There is no sense hiding this fact. The Leader of the Opposition has reached no other conclusion, and neither did the Mills study, concerning how you can ensure services which are necessary, as the member has described, when such serious consequences result from their disruption.

• (2110)

No one has come up with any other solution as yet, to ensure that such a situation will never happen again, other than adopting compulsory arbitration as a last resort. I am suggesting that there must be some other solution. I think the government is aware of this. When the strike is over we are prepared to give some study to this whole matter. What I am saying to the hon. member is that I do not think at this stage the solution offered by the hon. member's party, or the one in the Mills study, is the type of answer that can give the hon. member an assurance for eternity that this will never happen again.

Mr. MacDonald (Egmont): Mr. Chairman, I think it would be wise to clarify a couple of points so that the minister firmly understands what I am talking about. I think the minister was trying to go from A to Z without stopping at a number of intermediate points. I asked him specifically whether he would see to it that the high level meeting arranged between himself and his colleague, the Minister of Transport, and responsible officials in the two provinces as well as union representatives of the railroads, takes place.

I think it is very clear, for instance, that in the situation of the last two strikes with which I had some contact, a very large part of the ingredients of the walk out in effect in Prince Edward Island was its being tied into the national strike situation which, in many ways, was not directly related to the situation as it applied to the ferry operation in PEI. We should look at that carefully to see whether another kind of arrangement could be made. This does not mean that we should be asking particular employees in this service to forego the right to strike.

Second, I think we have to consider these two provinces in a totally different category from that of the national railroads. We have already taken certain steps with respect to essential services, whether these be with regard to the armed forces or the RCMP. When we look at a service that affects the whole economy of a province, I do not think we should look at it in the same light as we would look at the railroad situation as it affects one of the other provinces where there is a variety of means of transport.

All I am saying to the Minister of Labour at this point is that now we have to realize, having gone through this situation three times since 1950, that we must not put these two provinces in the same jeopardy again. In order to achieve that purpose I think the minister must give an undertaking that in the course of the next few months we will work out a new structure which will prevent the same situation from occurring again, not in total terms because we know we cannot prevent it in total terms, but to go a good deal beyond the present situation which is merely a bandaid approach.

Mr. Munro (Hamilton East): I hope to achieve that.

Mr. McGrath: Mr. Chairman, I should like to support the remarks of the hon. member for Egmont and in so doing to ask the minister, or the Prime Minister, who is at present in the House, whether the government, consistent with the constitutional responsibility that it has to maintain ferry services between the mainland and these two island provinces, will directly take over the operation of these two essential services, in view of the fact that the ships which provide these services are owned by the Department of Transport?

Mr. Gleave: Mr. Chairman, I am concerned about subclause (3).

Mr. McGrath: Mr. Chairman, I directed my question to the Minister of Labour.

The Deputy Chairman: Order, please. The minister did not rise and the Chair recognized the hon. member for Saskatoon-Biggar. I think we could come back to the hon. member for St. John's East afterwards.

Mr. Gleave: Mr. Chairman, I should like to refer to paragraph (a) of subclause (3) of clause 4 which sets out the conditions that the railways must observe when employees go back to work, if and when they do, following any settlement that parliament may choose to impose on them. I am concerned that justice be carried out in any settlement that we achieve. I was a little shocked, and indeed surprised to hear the Minister of Transport say earlier today that what we should be concerned about was a settlement, and that equity or fairness was not a prime consideration in spite of the fact that ordinarily in contract negotiations between employee and employer the matter of the power that rests in the hands of either party is the prime consideration in the type of settlement to be achieved.

I say that since the matter has been put into the hands of this parliament we must be concerned with justice and equity. We are dealing with this matter because of the failure of management to bargain with its employees. Management has failed in its responsibility to its employees, and to the people of Canada by not providing them with the service that they need, because in each case the railroads have a virtual monopoly over the type of service which they are giving to Canadians.

I think the employees have suffered enough and we should ensure that they get fair treatment when they go back to work.

I do not know whether the House in general is aware of the attitude of the Unemployment Insurance Commission during this strike. More than one worker has telephoned me because as an individual he was thrown out of work and, although he was not directly involved in the labour dispute, he was denied any opportunity to collect unemployment benefits, despite the fact that he had been unemployed for two or three weeks and would probably continue to be unemployed for at least another week. He was denied unemployment benefits despite the fact that he had consistently paid into the fund.

We have the spectacle of the Unemployment Insurance Commission deciding that it would treat all the people who were connected in terms of work with the two railway transportation systems as though they were in effect out on strike, when in fact many of them were not on strike at all. It adopted a blanket approach.

I question the right of the Unemployment Insurance Commission to adopt a blanket approach. I thought the commission was responsible to each employee because he paid into the fund and therefore was entitled to be treated as an individual. However, this government does not treat people as individuals but rather as a mob. That is what it did with people who were thrown out of work. One worker telephoned me and said: "I do not have a job any more and probably will not have one any more".

I think that this clause does not adequately protect those persons because it refers in paragraph (a) to workers who went on strike, but I am also concerned with those who are idle as a result of the strike, that is, who are idle involuntarily. Therefore I move, seconded by the hon. member for Assiniboia:

That paragraph (a) of sublcause (3) of clause 4 of Bill C-217 be amended by inserting after the word "Act" in line 25 the words "or were laid off as a consequence of the strike".

I would say that if the minister responsible would see fit to incorporate this of his own volition, it would be acceptable to me. My purpose is merely to see that this protection is contained in the act.

The Deputy Chairman: At this time I will put the amendment. The amendment is as read by the hon. member.

● (2120)

Mr. Munro (Hamilton East): Mr. Chairman, I might add that there is considerable merit in this amendment. I fully realize the intention of the hon. member to protect those who were laid off as a result of this strike. In many cases they were not strikers themselves, but were either with the trainmen or the shopcrafts. Many non-ops were laid off who were not part of the selective strike and who lived in some other geographic region.

Although the amendment has merit, I think it can be improved. After we examined the NDP amendment we thought that a second part should be added to it. I suggest that the following words should be incorporated. We could stand the clause and return to it after we have had a chance to consider the amendment, which might read:

[Mr. Gleave.]

That no such employees shall again be laid off by any such railway company as a consequence of any such strike.

In other words, even though we may pass the hon. member's amendment this may happen: a person who has been laid off may be called back for a day and then may be laid off again. I think, as a consequence of our amendment, he could not be laid off again. If the clause could stand until we have had a chance to do some checking on this particular wording, we could move an amendment along these lines. I take it that the NDP would agree. In that case, this amendment would apply not only to subclause (3) of clause 4 of the bill but to the other lay-off clauses further on in the bill. The NDP has given advance notice of their intention to move amendments to these clauses.

The Deputy Chairman: Is it agreed that we suspend discussion of the amendment put by the hon. member and thus give the minister time to draft the appropriate wording? We could come back to the point raised earlier by the hon. member for Egmont and the hon. member for St. John's East.

Some hon. Members: Agreed.

Mr. McGrath: Mr. Chairman, we think the amendment is reasonable and we think the minister's suggestion is reasonable. We are prepared to wait until the minister has had a chance to examine the clause and submit an amendment of his own.

Mr. Howard: Mr. Chairman, I want to be clear, as do other hon. members, that we are just standing the amendment. I understand that would leave the clause open for further discussion. I hope that is the case, because I have another proposal to make with respect to another part of the clause.

The Deputy Chairman: The hon. member read the mind of the Chair. The Chair feels that other hon. members want to discuss generally the subject matter of clause 4, and by standing the amendment and coming back to it later I think we would not prevent hon. members from participating in debate at this stage.

Mr. Howard: Mr. Chairman, I wish to raise another matter somewhat analogous to that put forward by the hon. member for Saskatoon-Biggar. It relates to railway workers some of whom were on strike and some of whom were laid off as a result of the strike. It flows from an experience that railroad workers went through in 1966 following the passage of the law that time. The wording of subclause (1) of clause 4 is almost identical to the wording that was contained in the act of 1966. That related to the resumption of operations. In that sense the wording was identical. That is what I want to talk about.

In 1966 we discovered, following passage of the law that required the railway companies on the coming into force of the act to resume operation, and required every employee then on strike to resume the duties of employment, that although the railway companies resumed operations the law did not require the railway companies to call their employees back as soon as the companies had resumed operations. In 1966 we found that although the railway companies resumed operating the railways, some

employees had to wait days and even weeks before being called back to work.

That action stemmed partly from the attitude of the railway companies to further—I apologize to the hon. member for Winnipeg North Centre for splitting an infinitive—penalize railroad workers. I do not think this parliament should stand for that sort of activity. I do not know if that was an oversight in 1966, but that was the result. Inasmuch as the wording in this clause is identical to the wording in the 1966 bill in part, I think we should insert a provision that says that not only shall the railways resume operations on the coming into force of this act, but that the employees who were on strike and those who were laid off as a result of the strike should not be further penalized but should be called back to work at the same time, immediately. The companies should not allow this matter to drag on for weeks.

I apologize to the minister, to the Chair, to members of the official opposition and others who may be concerned, for my having only one copy in handwritten form of my proposed amendment. I prepared it as I was looking at the clause and thinking of what happened in 1966. Perhaps I could read it slowly so that the minister can grasp it. If the amendment is acceptable, perhaps we could set it aside for further drafting. The amendment proposed is as follows:

That subclause (1) of clause 4 be amended by inserting between the words "suspended" and "and" in line 5 thereof, the following:

"and shall call back for employment every employee as soon as the operation of the railway is resumed—

Please notice that I use the word "employee" as distinct from "non-operating employee" who might have been laid off as a result of the strike. The subclause, if the amendment were accepted, then would read:

Forthwith upon the coming into force of this act, every railway company shall resume operation of the railway and subsidiary services the operation of which is suspended—

Now comes the amendment.

—and shall call back for employment every employee as soon as the operation of the railway is resumed—

Now I revert back to the clause as it is.

—and non-operating employees shall resume the duties of their employment with the railway companies.

If the minister would accept that amendment, I think it would alleviate any sense of frustration and feeling of antagonism on the part of people who were put out of work. They feel that they are being further discriminated against just as they were in 1966.

● (2130)

Mr. Munro (Hamilton East): Mr. Chairman, clause 4(3) directs the company to take back all those who have been on strike and allow them to resume their duties. It requires that they be given their jobs back. Even if their job is guaranteed, however, it does not say that they will be able to commence work immediately the act comes into force. If we insist on being that specific I think we will find that a great many employees whose jobs are guaranteed will be idle. I might add that not only now, because of the act as it is, is the job of the striker guaranteed, but in the amendment that is coming with respect to lay-offs the company must call all of them back and not lay them off again if the lay-offs have any connection with or are a consequence of this strike.

There is protection now in terms of jobs for all those who were laid off, and all the strikers. The only difference here is that the company would not be required to call the men immediately, but gradually, while under the proposed amendment every employee, whether laid off or on strike, is to be called back immediately. All the evidence that is at our disposal and that, I am sure, is within the knowledge of the hon. member and his party, indicates that there will be a tremendous number of men standing around for a few days with nothing to do until things get rolling again. I think that could lead to a somewhat ludicrous result.

Mr. Howard: I know the minister wants to accept the principle that I am suggesting, Mr. Chairman. He talks in terms of a few days, but in 1966 we saw that stretched into a few weeks in many cases. Examination of the attitude of the railway companies in 1966 showed that at the community level, where the railroad workers dwell, there were cases of discrimination by the company; they delayed the resumption of duty by some of their employees who went on strike, just to penalize them. That should not be permitted this time.

The minister says that it may not be possible for the railroads to commence operating completely the day after the act comes into force. He mentioned "a few days". I wonder if he could spell that out as a number of days and put something in the clause to ensure that it is a reasonable length of time. If it is left wide open as it is now in the act, I can foresee the same situation developing—and things are going to be difficult enough as it is. Could the minister go along with that idea?

Mr. Munro (Hamilton East): Yes, if the hon. member is—

The Deputy Chairman: Order, please. Before the suggested amendment is put, I think I should put the debate in order procedurally by reading the amendment as it would be before the committee officially, not only in the words of the hon. member for Skeena. I shall read the amendment to the committee so that it will be in the name of the Chair instead of in the name of the hon. member for Skeena. It is moved by the hon. member for Skeena:

That subclause (1) of clause 4 be amended by inserting, between the words "suspended" and "and" in line 5 thereof, the following:

"and shall call back for employment every employee as soon as the operation of the railway is resumed"

The hon. member for St. John's East rises on a point of order.

Mr. McGrath: Mr. Chairman, we do not have a copy of the amendment before us, and consequently cannot address ourselves to it except to suggest that perhaps the minister and the hon. member for Skeena could get together on this matter. Our position on the original amendment moved by the NDP is that we believe that no employee of the railways should suffer punitive action or reprisal as a result of this strike.

Mr. Munro (Hamilton East): Mr. Chairman, I would point out to the hon. member for Skeena that we have already an amendment that guarantees jobs for those laid

off. There has also been some improvement suggested to the NDP amendment, and the hon. member agrees that the wording in his amendment is very restrictive: almost every employee would have to go back immediately. I am sure the hon. member has not tried to create a ludicrous result, but to ensure that they would go back with reasonable promptness and without the delays experienced last time. Perhaps we could stand this clause and some wording could be worked out with reference to the hon. member's suggestion. This would also give us an opportunity to strengthen the lay-off section.

The Deputy Chairman: Order, please. The suggestion is to stand the amendment of the hon. member for Skeena. The hon. member for Cape Breton-The Sydneys is seeking the floor and I wonder if he wishes to speak on these two amendments only, or on another point; otherwise I think we should wait until we come back to these two amendments and the solution which might come back to the committee.

Mr. Muir: Mr. Chairman, I tried to get your eye on a couple of occasions but was not successful. However, the hon. member for Saskatoon-Biggar and the hon. member for Skeena to some extent brought out what I had in mind. Even if we are to stand these proposed amendments, I think we must have something more concrete than just the minister saying that it would be ludicrous, or that we cannot say everyone has to go back to work and there would be nothing for them to do, etc. We must have something more concrete to provide protection for these men.

Clause 4(3) provides:

> No person acting on behalf of a railway company shall
>
> (a) refuse to permit, or authorize or direct another person to refuse to permit, an employee who went on strike before the coming into force of this act to resume the duties of his employment forthwith—

I have been around here for quite a long time, Mr. Chairman, and I have heard lawyers talking about legal terminology, the meaning of terms such as "may", "shall", and "forthwith". Perhaps the minister could tell us just what "forthwith" means. Does it mean one day, two days, ten days, five days? In the past, in cases where there was a pretty rough foreman or superintendent, sometimes a worker was never taken back to work. I am informed that in certain areas now the word is out from foremen and supervisors to this effect, "We are going to fix you. We had 64 employees and now we are going to get along with 40."

Much as we may dislike the situation, now that it has been introduced into this chamber we are responsible for what takes place. Are we going to arrange it so that these men go back to work one day after the act comes into force, or are they going to be tagging along for several weeks, as was mentioned by the hon. member for Skeena? Indeed, in some instances where there is a personality conflict or a clash of some sort, the worker will probably not get back. The minister has said that the workers would be standing around doing nothing. From my knowledge of the CN there is plenty of work to be done around the yards and the stations. If they want to get the work done, and have excess labour for a few days, they can easily find work for them.

I think it is the duty of the minister to tell this committee during the discussion on the amendment just what he means. He is speaking now on behalf of the government. Are these men going to be penalized? Are they going to suffer? Are they going to be discriminated against? Are those who went on strike on a certain day going to be working the day the trains get moving again? Are they going to be called back as soon as everything gets moving? I suggest that they should.

● (2140)

Mr. Munro (Hamilton East): Mr. Chairman, I have already indicated that it is the government's desire to protect all the strikers, all those laid off. It is also our desire to see that not only are their jobs protected, but that the railways, which are ordered by this legislation to resume operations immediately, act with promptness to bring these men back on the job.

One of the protections in the bill is ordering the railways, as soon as this bill comes into force, to resume operations immediately. The legislation guarantees the jobs of the strikers and of all those laid off as a consequence of this strike. They will be brought back with reasonable promptness. Their jobs are protected.

It is certainly the government's desire not to leave any employee open to discrimination or to prevent him from getting back his job reasonably promptly after this bill is passed, and after the railways get back into operation. We can attempt to devise some wording that will cast a burden on the railways to act promptly.

I wish the hon. member would appreciate that we cannot very well come up with wording that imposes an absolute obligation from the minute this bill comes into force to bring every single solitary person back. It will take a considerable number of days before the railways can be in full operation just as they were prior to the commencement of the selective strikes. I am sure we can devise some appropriate wording that will be satisfactory to the hon. member who just spoke and to the hon. member for Skeena. That is why I suggest the clause should stand to see what we can work out.

Mr. Baldwin: Mr. Chairman, I wish to make a suggestion. This illustrates the points that have been made here before. There are 264 tried and true men and women trying to write legislation. I stood with 12 lawyers and 12 politicians trying to draft proposals. I know how difficult it is.

Some hon. Members: Oh, oh!

Mr. Baldwin: I should say lawyers and would-be politicians. I suggest that the minister and his officials exercise their ingenuity and try to come up with a general covering clause, something to the effect that no person acting on behalf of the railway company shall allow, or permit, any form of discrimination to be exercised against any person who has been on strike who lost his position temporarily by reason of the strike. If you do that, you cover everything. If we try to cover every case without a covering clause, we will be in trouble. We will be here all night.

Mr. Munro (Hamilton East): I agree with that, Mr. Chairman. The act already prevents discrimination. The problem is the promptness in bringing back the people. With our ingenuity I think we can devise some wording that will be satisfactory to cover the whole thing.

Mr. Blenkarn: Mr. Chairman, we have heard a lot about management being the big bad guys. The real problem is that this government and this minister refused to take the responsibility of preventing this strike.

We have heard a lot about the men on strike. They may wind up not having a job. For five weeks the railways have not been in operation. Alternative methods have been found to ship goods. Do we expect the railway to take on people it no longer needs? Should it be a great big feather bed?

It is about time the government started talking about the people in this country, the lost business, lost trade, and everything else. This government did not bother with its constitutional responsibility. It has a constitutional responsibility to ensure that transportation exists between the provinces. This government has not come up with any subsidy for the businessmen, the tourist industry and others who have lost their shirts because this government could not fulfil its responsibility.

Let's get down to reason. Let's get these railways operating again, but let's not have a great big feather bed to protect everybody forever.

Mr. Rodriguez: Mr. Chairman, I was glad to hear the last speaker make the comments he did. They were certainly revealing to any person who stands up in this House and says he is really concerned about the workers.

I just wish to point out that the security of jobs for these men is very important. We must consider what was done in 1966 in terms of calling the men back to work. I am sure there are many things to be done to get the railways back in operation. These men have been standing around not doing anything for the past five weeks. It will be some small compensation for the company to pay these men, even though they may not be doing anything for the next two weeks, waiting for everything to get rolling again.

Mr. Deputy Chairman: Is it agreed that clause 4 be stood at this time?

Some hon. Members: Agreed.

Mr. Deputy Chairman: Clause 4 will stand at this time.

Clause 4 stands.

On Clause 5—*Terms of collective agreements amended.*

Mr. McGrath: Mr. Chairman, we have a very important amendment to clause 5. Our amendment is consistent with the views put forward in the House today by my leader and the views I put forward in the House yesterday on behalf of my party. Very simply put, we believe that the very least that the unions should have as a basis for operation is the real rate of inflation that exists in the country at the present time.

Some hon. Members: Hear, hear!

Mr. McGrath: As a consequence, I move the following amendment to clause 5:

That subclause 5(1) of Bill C-217 be amended by striking out the word "thirty" where the same appears in line 39 on page 3 thereof and substituting therefor the word "thirty-four", the word "five" where the same appears in line 1 on page 4 thereof and substituting therefor the words "six and one-half", and the word "three" where the same appear in line 6 on page 4 thereof and substituting therefor the words "one and one-half".

Mr. Benjamin: Mr. Chairman, I rise to speak on clause 5 and the amendment moved by the hon. member for St. John's East. It was said in this debate last night, and again today, that we are not legislating a settlement. What the government has in legislation is a minimum base package below which future arbitration cannot fall. I should like to suggest as strongly as I can that the base package proposed in the legislation is neither just nor fair. It is not sufficient. I know there is concern in the minds of many members, particularly those on my right, lest we become involved in some sort of bidding game. I want to avoid this as much as they do.

● (2150)

The Deputy Chairman: May we have order, please? It is very difficult to hear what the hon. member is saying. This is an important piece of legislation and the co-operation of all hon. members is desirable.

Mr. Benjamin: As you will recall, Mr. Chairman, the hon. member for York South gave notice yesterday of our feelings on this point. In spite of remarks made by the Minister of Transport about the difficulty of knowing what is fair or just, I see no reason why members of the House should not form an opinion for themselves and be ready to express it. We have taken on this responsibility. What we are doing is legislating at least this minimum package.

We have heard much about the national interest—how it ought to be placed above an individual interest or the right to strike in any kind of service, public or otherwise. I submit we cannot allow the principle of public interest to be subverted by legislation which is unfair, legislation which compels people to go back to work on a basis which is unjust. I assume all members of this House are reasonable men and that they wish to be fair. This is not a bidding game to see who can get the most cents an hour for the non-operating unions. I hope all of them will listen carefully to the recommendations of Professor Weldon and his reasons for making them, and then come to the conclusion that they are not unreasonable.

I submit that the Canadian public does not expect parliament, in the course of protecting the broad public interest, to be unfair to the smaller number involved in this labour dispute. I am sure my good friends in the official opposition who have sat with me on the transport committee for the last five years know whereof I speak and that they would agree with me when I say the proposals made by Professor Weldon are fair and just. They represent, I submit, the least we can do by way of a base package in our back to work legislation.

Let me remind you, Mr. Chairman, that the union demand of November 1, 1972, was 55 cents an hour for 1973 and 15 per cent for 1974, plus some premiums for shift

work. It is perfectly true that Professor Weldon was the union's appointee to the conciliation board. What he recommends, however, is substantially less than the non-operating unions demanded of the railroads. Professor Weldon recommends 10.79 per cent in the second year of the contract and 38 cents an hour in the first year of the contract, and he does so on the following grounds: 5.45 per cent of the increase represents the inflation factor. Note, this is not the inflation factor arrived at by the non-op unions or by Professor Weldon himself, but the inflation factor arrived at by the *Time* magazine board of economists, and one would hardly call them a bunch of raving radicals. We all know that inflation at its present rate will amount to 7 or 8 per cent in 1973.

Professor Weldon also recommends a further 3.34 per cent to cover productivity increases—not those related to the railways, which are in the neighbourhood of 6 per cent, but the national productivity increase which the same economists put at 3.34 per cent. Surely hon. members will agree that this is reasonable. He also recommends a further 2 per cent in each of those two years for what the trade union movement and the non-op unions in particular call a catch-up.

There is little disagreement with the claim that the non-operating unions have fallen behind those engaged in comparable industries, that their position has worsened with respect not only to workers in the manufacturing industry but with respect to their counterparts in the United States. Professor Weldon measures this discrepancy as being around 6 per cent. He carefully recommends that these workers get 2 per cent of the 6 per cent in the current year and a further 2 per cent next year. Hopefully, they will be able to negotiate the remaining 2 per cent in a future year.

Mr. Chairman, would you be good enough to ask my colleagues to soften their conversations so that you can hear me?

● (2200)

The Deputy Chairman: Order, please. Again, I would invite hon. members again to co-operate with the Chair, even those standing behind the curtains, by asking them to make as little noise as possible so we can hear one another, and at least so the hon. member who has the floor can hear himself and get the impression that he is being listened to.

Mr. Benjamin: Thank you, Mr. Chairman. In my usual kind and soft manner I am trying to be as persuasive as possible. I would remind the hon. members for St. John's East, Moncton, that railroad town, London East, Crowfoot, St. Boniface and others who worked on this subject of transportation in committee over the last several years, of the discussions, and the information we had received long before Professor Weldon submitted his report.

Professor Weldon's recommendations are substantially less than requested by the unions, but they amount to 26 cents per hour, over two years, more than is provided in this bill. As was said earlier today, I think this is the least we can do to ensure that we legislate the end of this emergency. What is more important, I submit, is the fact that Professor Weldon's proposal is necessary to ensure

protection to the broad public interest, and to ensure that we are being just and fair to the railway workers of the country.

This suggested award would cost the consumers of railroad services and, or, the taxpayers of this country something in the order of $8 or $9 per capita in each of these two years. I submit to hon. members that this is a reasonable price to pay for good and efficient rail service. More important, this is a very reasonable price to pay for the provision of fair and just treatment to these employees we all agree are so essential. That is not an unreasonable price to pay in order that we be fair, just, and properly reward these essential, trained, conscientious and efficient workers.

Therefore, Mr. Chairman, I wish to move a sub-amendment as follows:

> That the amendment be amended by striking out the words "thirty-four" and by substituting therefor the words "thirty-eight", and also by deleting all the words of the amendment after the words "thirty-four" or "thirty-eight", as the case may be, and substituting therefor the following words:
>
> "and by deleting all the words after the word 'Part' in line 1 on page 4, and substituting therefor the words 'by 10.8 per cent effective January 1, 1974'".

The clause with the sub-amendment and the amendment would then read:

> The terms and conditions of each collective agreement to which this Part applies are amended forthwith by increasing each hourly basic rate of wages in effect on December 31, 1972, as established by or pursuant to such agreement, by thirty-eight cents per hour effective January 1, 1973 and by increasing each hourly basic rate of wages in effect on December 31, 1973, as established by or pursuant to such agreement and pursuant to this Part, by 10.8 per cent effective January 1, 1974.

The remainder of that clause would be deleted.

May I close this portion of my remarks by appealing to hon. members on both sides of the House to decide that this amount is the least we can provide in order to be fair and just to railway employees while serving the broader public interest in ending this emergency situation created by the interruption of our rail services.

Nobody can suggest that this amount is unreasonable. Those on the management side of negotiations have literally agreed that this is not an unreasonable position. May I repeat, for the benefit of my hon. friends in the back corner here, that we are not interested in some kind of a bidding game and do not want this bill to fall into that situation. We have moved this sub-amendment and I can only wish that the hon. member for St. John's East had suggested these figures. We have moved the sub-amendment in a further attempt to persuade members in all parts of the House that this is a more fair and just piece of legislation than originally proposed in order to send our railway workers back to work.

If anyone can point out any unreasonableness in this proposal, or show in any way that it is excessive or inflationary, I would be glad to hear from him. I would invite the Minister of Finance to indicate how it is unreasonable, unjust or excessive.

One might expect that a union appointee to the conciliation board would bring down a higher amount than was suggested. I think the fact that he did not is further

evidence that this board was very careful, and that Professor Weldon made a reasoned study of this whole matter.

My own personal feeling is that the chairman of the conciliation board came up with his figure because it was half way between the other two, but did not make the effort that Professor Weldon made. When one looks at the differences in the thicknesses of the two reports it is not hard to realize that Professor Weldon devoted more time and effort than anyone else on that board.

May I close by urging hon. members not to subvert the wider public interest by legislating unfair and unjust wage conditions on those railway workers we are sending back to work.

The Deputy Chairman: Order, please. Hon. members of the committee have heard the amendment proposed by the hon. member for Regina-Lake Centre.

• (2210)

Mr. Munro (Hamilton East): Mr. Chairman, we now have the amendment from the hon. member for Regina-Lake Centre. He is indicating Weldon at 10.8 per cent, I take it, and is recommending Weldon the second year between 10 per cent and 11 per cent. We anticipate from the Conservative Party 34 cents for the non-ops in the first year which, if you want to translate it into percentage points, is about 9.6. They have developed their rationale for that. The hon. member for Regina-Lake Centre has developed his rationale. I understand that before the night is over the Social Credit Party will have its variation in respect of what the wage package should be. This is briefly where we are now. We are engaged in an auction while the strike is on. Every party will have its varied and different position with regard to what it feels is just.

The hon. member asked me what I felt was fair and just. It is not for the government or myself to determine what is fair and just in this particular case right here.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Surely what is for us to decide in Parliament is how we can inaugurate a process, the best in our imagination, to guarantee a fair and just result in terms of wages and all the other rights. Perhaps in answer to the hon. member for Regina-Lake Centre when he asked me whether I consider Weldon—I think that is how he put it—at 10.8 per cent is a fair and just determination, I should say I do not know. Maybe in the view of others, the chairman, the companies and so on, who were involved in all the hearings to which I was not a party, it is too low. Also I might add maybe it is too high. But that is not the point that we are here to determine. We are here to determine what is the fairest and most equitable process by which we can guarantee that the non-ops, the shopcrafts and the trainmen after final determination, undoubtedly by an arbitrator, can get a complete package in terms of wages and the other considerations that will be in the hands of the arbitrator we are talking about.

There is the question of job security. We have talked about pensions. I will have suggestions later tonight in terms of amendments to guarantee improvements in these particular areas by special reference to the arbitrator, letting him know that this Parliament wants him to look at them. There are other ways to do it. We could have a special reference in the legislation directing the attention of the arbitrator to certain areas which concern parliamentarians.

The non-ops are concerned about catch-up. The allegation is that their basic rates are too low and that percentages do not favour them. Maybe there is some validity to that. However, that question is not on the floor of the House for us to determine. There can be a reference to the arbitrator to look into questions of this kind and make his determination. In the meantime we have the chairman's report in each case as the base. If we pay that now, the workers will receive it retroactively based on that recommendation. They will get it while the arbitrator is at work.

However, in respect of all these other questions as to whether the base rates are too low, whether the relationships between the non-ops and other groups is correct or not, and whether the levels between the non-ops and other occupations of the railways are equivalent to other similar and analogous classifications in the private sector, these are all questions which surely, on the floor of parliament, we are not qualified to determine. We can ensure by reference to the arbitrator that consideration will be given to these questions.

I said yesterday, on the introduction of the bill, that I would expect automatically that the first thing the arbitrator would take into account would be the cost of living since the date of the conciliation report. So, why do we have to negotiate this on the floor of the House? We now have the bidding system in respect of 34 cents and 38 cents, and we have not yet studied the suggestion of the Social Credit Party. Why do we not let the arbitrator decide it?

I wonder whether anyone has considered the implications of what might happen in terms of labour disputes relative to this parliament and labour disputes falling within federal jurisdiction. By the time this bidding system is over tonight, and if there should be a variation of the procedure in the bill, I would try to convince all those people who believe in free collective bargaining that the procedure in this legislation is the best defence against the advocates of compulsory arbitration. I will tell you why.

If we start negotiating on the floor of this House, and making our own subjective judgments instead of leaving it to the other process, then the worker may decide that he can get a better deal from the parliamentarians on the floor of parliament. Why then should he go through the conciliation process and receive a conciliation chairman's report which often forms the basis for the settlement arrived at later? The parties to the dispute may say that parliament is prepared to enter the picture and make suggestions. I think in this way we would have added another step to the whole process.

The parties involved may say: let us go through negotiation, through mediation and through conciliation, and then let us go to parliament on them all. I would think that those who advocate the bidding system here should in the future be fair and honest enough to accept some responsibility if this should be a start down the road to many more labour disputes coming to the floor of parlia-

ment, particularly when they should be settled outside parliament.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Let those who advocate the bidding system tonight also take on the responsibility if there are more strikes which are pre-conditioned to be determined on the floor of parliament and if this should involve compulsory arbitration—and sometimes we hear this—let the people who are part of this bidding system take the responsibility for compulsory arbitration, something which none of us really want. I think this is the first disastrous step toward that end, and I think we should stop it right now and get back to the fundamental issue.

● (2220)

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): If all parties concerned are convinced—and I am sure this is a reasonable thing to ask—that an arbitrator will be appointed, one who is a fair and reasonable man, he can then take into account all the factors and all the points that were made. He can look at *Hansard* and the arguments that have been advanced, the concerns of parliamentarians and of everyone else, and no doubt he will do that. That is also one of the fundamental guarantees of a fair and equitable settlement outside of parliament, the only place where it should be made.

There is no sense in my repeating these remarks.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): There is no sense in my repeating what this may do to the whole bargaining process, how it may lead to further disputes winding up on the floor of parliament, with each parliamentarian proposing a new variation and making subjective judgments with respect to further disputes that will wind up here in the future. Are the Conservative party and the NDP going to influence the conciliation board chairman with respect to one or another dispute?

I think that the step we are taking tonight is a very serious one indeed, and I believe that my party, and the government of which I am a member, are prepared to stand behind the principle that is embodied in this bill. We are in opposition to the amendments which get us into a bidding system, with the disastrous results which I have described.

I want to assure hon. members that I am not one who, during my involvement in political life, has ever been unsympathetic to the workers, especially the group of workers at the low end of the totem pole. Never in my political life have I been opposed to their interests.

An hon. Member: Except now.

Mr. Munro (Hamilton East): What I am ensuring is that they have an 8½ per cent floor and 30 cents instead of 34 cents or 38 cents.

Mr. Baldwin: Why 30 cents?

Mr. Munro (Hamilton East): Because Mr. Justice Munroe recommended it.

[Mr. Munro (Hamilton East).]

Mr. Baldwin: Is this immutable and forever?

Mr. Munro (Hamilton East): No, not immutable, but because he made that determination and because under the bill we can appoint an arbitrator who can take into account all the wage considerations. If you want to talk about the non ops, who are the main concern in the amendment, perhaps the arbitrator will come to the conclusion that more than 34 cents or 35 cents should be given, but it is he who should make that determination and take into account the differentiation in the cost of living since Mr. Craig Munroe's report of July 13.

I also want to point out that we do not want our position nor do I want my position to be interpreted as meaning that somehow we are opposed to these workers getting more.

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): It is quite the opposite. Any effort that I have made was to assist the parties in arriving at a settlement outside of the House which in my view, had it been successful, would no doubt have resulted in the workers getting more than is proposed in the bill. I am now saying it publicly that, in my own judgment, I feel that that might have been the result. But it was not, and we are here, and I think we should follow this line because otherwise we will end up in a hopeless quagmire when it comes to the resolution of future labour disputes.

For those reasons I think I have the support of my party, and I believe these amendments, and the bidding system which started off with the 34 cents and the 38 cents, should be rejected by all hon. members.

Mr. Stanfield: Mr. Chairman, I want to say just a word because I have been over this ground earlier today. I will repeat my understanding and my approval of the fact that we are not here to try to write a collective agreement, and certainly we should not be involved in any bidding or auction game, or anything of that sort.

I want to emphasize that with regard to the second year of the agreement the change that we are proposing is a change which gives the non-operating unions the same percentage increase, as good a deal or no worse a deal, depending upon one's point of view, as the other two unions. It is not justifiable to ask non-ops to go back to work on a poorer settlement in percentage terms for 1974 than the other two parties.

Some hon. Members: Hear, hear!

Mr. Stanfield: I doubt that there is any real difference of opinion about that so far as 1974 is concerned. So far as 1973 is concerned, we are simply prepared to support a determination by parliament that the rate of inflation for 1973 has exceeded expectations by that per cent, and it is on that basis that we are recommending the 4 cent increase. But I want to say that that is the only departure from the recommendation of the chairman of the committee that I am prepared to support. Therefore, I am not prepared to support the subamendment recommending 38 cents, and I will be voting against it.

Mr. Marchand (Langelier): Why?

Mr. Stanfield: Because in my judgment we are not here to effect a settlement.

Some hon. Members: Oh, oh!

Mr. Stanfield: We are here to put a bill to the House that will get the railways operating on a fair basis.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Your bill is not a settlement.

Mr. Douglas: Mr. Chairman, in clause 5 of this bill we come to the nub of this legislation because it sets forth the financial terms upon which we will require some 56,000 non-operating workers to go back on the job pending future compulsory arbitration. The government is forcing parliament to go through a ritual dance which would be a charade if it were not a tragedy.

For 25 years in this country there has been no genuine process of collective bargaining for railway workers. The railway workers have had hanging over their heads, like the sword of Damocles, the knowledge that if they went on strike the government of the day would convene parliament and force them back to work. The railways have known that, and have used that for their own sinister purposes.

● (2230)

The railways have never bargained in good faith. The Parliamentary Secretary to the Minister of Labour, who is the hon. member for London East, himself has said that the railways have not in this case bargained in good faith. They have always known that if they dragged their feet and delayed reaching a decision, the government would call parliament together and force the workers back to work.

What we are facing in this country at present is a contrived national crisis in which the railways have deliberately brought about a situation where the public is being deprived of essential services, where the economy is being dislocated, and where the public is demanding that the strike be brought to an end by some means or other. That is why this entire debate is a charade, because the real process of free, collective bargaining does not exist in this case.

Mr. Reilly: Hear, hear!

Mr. Douglas: The minister said that there will be certain implications if the amendment or subamendment are accepted. I submit there will be implications if they are not accepted, because the railways will know once again that if they refuse to bargain in good faith in the future, and precipitate a strike, the workers will once more be sent back to work at a basic wage which is acceptable to the company, even if it is not acceptable to the workers. If the minister, who says he wants to preserve the process of free collective bargaining, is sincere, the best way he can demonstrate that sincerity is by putting into this bill a figure which will be acceptable to the employees, and the railways will not be so quick in future to precipitate a situation which will require parliament to send men back to work.

Why does the government not do this? We listened to a fine demonstration of rhetoric on the part of the Minister of Transport. This proved the adage that no one is so vehement and enthusiastic as a recent convert to the establishment. He asked, "Who knows what is a fair settlement?" Tonight the Minister of Labour got up and said, "We are not here to make a fair and just settlement." He said he does not know what is a fair figure at which to send the men back to work.

I point out that the Minister of Labour has in his possession all the records of the hearings of the conciliation board and all the advice of the officials of his department, of the conciliators and of the mediators; yet he does not know what is a fair settlement. No wonder his intervention was such a disaster when he tried to bring the parties together. Both the Minister of Transport and the Minister of Labour say, "We cannot negotiate this matter on the floor of parliament." The Leader of the Opposition even said that we cannot draft an agreement. Mr. Chairman, this is precisely what we are doing, and the government will not deceive anybody with this kind of rhetoric.

What is the government doing? It is asking this parliament to take from a group of men the right to withhold their labour, and to send them back to work at a figure set by parliament. The only other recourse available to those men is to go to an arbitrator, who is unknown, and who will make the final decision as to what their incomes will be for 1973 and 1974.

Is there any other group in Canada whose income will be dependent on a bill passed by this House and on the decision of a single arbitrator? Will any arbitrator set the price of cars sold by General Motors? Is anybody going to say what people should sell a television set or radio for? Is any arbitrator going to decide what the fees will be of lawyers, doctors and insurance agents in this country? Is any arbitrator going to decide what interest rates will be charged by the banks?

An hon. Member: Yes.

Mr. Douglas: Under this legislation the government is asking parliament to send men back to work at a figure that is not acceptable to them, and to leave the final disposition of their income rates for 1973 and 1974 in the hands of an arbitrator. I submit that if the government is to ask this parliament to deprive a group of workers of their basic rights in a free society, we have an obligation to put into this legislation a guaranteed minimum that will at least be acceptable to them. It may not necessarily be all they want, but it ought to be acceptable to them. We must then hope that the arbitrator will give them some additional income in order to compensate them for having lagged behind steadily for the last 15 or 20 years.

The Minister of Labour says that we are now engaged in a bidding contest. This is not a matter of bidding. The question which faces this committee of the whole, this parliament, is twofold. First, what is a minimum, just figure which ought to be given to these men in return for compelling them to go back to work?

Mr. Railton: Do you not want them to go back to work?

Mr. Douglas: The hon. member asks if I do not want them to go back to work. I want the men to go back to work, and the best way to get them back is by treating them fairly and justly and giving them a wage that is fair and just, and this bill will not do it.

The minister talked about bidding. We are not talking about bidding. We are not talking about 55 cents; that is what the employees are asking, but the non-ops have indicated they would be prepared to go back to work on the basis of 10.8 per cent in 1973 and 1974. Surely that is the very least they ought to be given.

I agree that here, in the House of Commons, we cannot deal with job security and the pension plan. That is too complicated. We may be able to discuss these matters in some standing committee of the House at a later date. Yet when we are legislating, surely we have the responsibility to legislate a figure that is acceptable to these men.

I do not agree with the right hon. member for Prince Albert who talked about an attempt to blackmail parliament, since I think the officials of the non-op unions were quite right to tell this government what their attitude would be before this legislation was passed, and to say that they are perfectly certain they cannot sell the provisions of this bill to their union members. They would not have been fair to us or to the people of Canada if they had not expressed their views.

I remind the Minister of Labour that this is not a matter of bidding. This is a matter of finding a figure which is not only fair and just, but which is also acceptable. You can lead a horse to water but you cannot make it drink; or, as John L. Lewis said many years ago to President Roosevelt, "You cannot dig coal with bayonets." You cannot force men to work against their will. Ever since the day when Abraham Lincoln freed the slaves, no one on this continent has been compelled to work against his will.

● (2240)

The railway system is so essential that this parliament is ordering men back to work. If we are going to order them back to work let us do so in terms that are not only acceptable to the men but are acceptable to the Canadian people.

I want to tell the Minister of Labour and the Minister of Transport that they will live to regret the speeches they made today, and the Liberal party will live to regret them. Not only do the men who are affected feel that the offer made in this legislation is too low, but that is also the reaction across the country. Read the newspaper editorials—get the reports coming in from all over the country which show that the public is convinced that these men are being treated shabbily and that parliament is being asked to use its muscle to impose an unjust settlement.

I want to remind the Minister of Transport, who said this morning "You can't change this thing when you get into committee; we are not going to start changing it in committee of the whole." The President of the Privy Council will recall that in 1966 the Right Hon. Lester B. Pearson brought in a similar piece of legislation to send the railway workers back to the job. He made certain proposals in that legislation, but when it was pointed out to him in the House, and in committee of the whole, that the figure was unacceptable, unfair and unjust, the government of that day brought in an amendment and raised it. The result was that the legislation passed and the workers accepted it.

If the government is prepared to accept the figure of 10.8 per cent that we are proposing for each of the years, 1973 and 1974, I think the House would accept it. I think the country would accept it and, most important the workers would accept it and get back on the job. That is the principle task that faces this House—to get a settlement that the workers will accept.

[*Translation*]

Mr. Fortin: Mr. Chairman, unfortunately it would seem that this extremely important debate will go on and on but the situation remains. We have been called back for an emergency. However, after having heard the remarks of the Minister of Labour (Mr. Munro), it is my duty to speak at this moment and to define certain issues that have been raised.

Mr. Chairman, when we were recalled at a moment when the rotating strike had become a national crisis, people were speaking of the isolated Maritimes provinces, of industries that could not get supplies. What happened? We were recalled here to tell the 56,000 workers "the negotiations have failed, mediation has failed, arbitration has failed and now you will go back to work". And on what conditions? These conditions are set forth in the government bill itself.

The Minister of Labour seems to have forgotten that it is not Parliament that has established the rate of 30 cents or the 5 or 3 per cent. The Minister of Labour should know that it is not the members who have put that in the bill but that he did it himself with his senior officials.

Mr. Chairman, in this manner, the government admitted the power of Parliament to amend this bill, to improve it, because the goal of this Parliament is to establish justice in this country and therefore we submit that we have the right to amend the bill.

If the argument of the Minister of Labour were logical and according to procedure, it would mean that the only power Parliament has is to say to the ministers and to the government: Yes, we approve entirely of your bill. Now, if such were the case, Parliament would no longer be a democratic institution, the hon. member would no longer represent the true interests of the Canadian workers, including railwaymen, and that would mean a total waste of time on our part.

Mr. Chairman, the minister would like Parliament to ratify all of the failures of mediation, of negotiation and of arbitration. Now I do not know what the other parties will do but I know that, for our part, we are here not only to see that 56,000 workers will go back to work, but to stand by an ideology in which we firmly believe, namely that every Canadian citizen should have the right to live decently, to earn a living under healthy and acceptable working conditions. And if the renewal mechanisms concerning the collective agreement, mediation and arbitration have failed to work, it means not that those workers tried to overdo it, but merely that those mechanisms are out of date, that they no longer can cope with the requirements of labour and that it is extremely urgent to modern-

ize the negotiation mechanisms so that Parliament will no longer find itself in a situation like this one.

The minister has been referring to some kind of bidding and said: The Progressive Conservatives want this figure, the NDP want a different one and the Social Credit Party still a third one. Mr. Chairman, we are not trying to outdo others here. It is our duty as members to do what bargaining, mediation and arbitration should have done, and if those processes have failed, Mr. Chairman, it is for the Minister of Labour to improve them rather than to blame members who really want to discharge their duties.

Mr. Chairman, that is why our party intends to propose an amendment later through one of my colleagues. That amendment will not be intended to do one better than others. It will be moved consistent with the philosophy of the Social Credit according to which each Canadian citizen has a right to be reasonably well off and it is the primary duty of the government to ensure an honest living to Canadians whether or not employed. And it is not because 56,000 workers in Canada have decided to improve their lot that we will behave like sheep, that we will approve the government and tell them to return to work without doing them justice. Our primary duty is to do justice to those workers without forgetting all the while that justice should extend to the whole country.

[*English*]

Mr. Rose: Mr. Chairman, I am sorry that the Minister of Labour is not in the House at the moment. Perhaps he is calming his frazzled nerves behind the curtain. Perhaps he needs to, because he has been through a very difficult period.

I should like to remind the minister that when he castigates members of this House for becoming part of the auction system and part of the bidding system, he himself started the bidding. One of the difficulties with his bid is that it is the low bid. In my view it is the kind of bid that will be unacceptable to most of the people who are concerned in this labour dispute.

The men may go back to work—some of the men may go back to work and some may not. My riding is affected by the strike in negative ways as there is a poultry industry, a dairy industry and a cattle industry there, and the feed situation is difficult at this time. I am not going to go into details because nobody is in the mood to listen tonight anyway.

We seem to be locked into a fixed position, but the amendment put forward by the Official Opposition may very well be passed. I certainly intend to support it. I am only sorry that I have to support it if our amendment fails. I regret that the Leader of the Opposition, by being "responsible", has seen fit to grant these men nothing to catch up after 25 years of being behind.

● (2250)

These men were once kings of the road. They were number one in the industrial world all across Canada. Because they have been put into this position they are now twenty-seventh or twenty-eighth. Why? They are in that position because they do not have access to what is guaranteed to other workers—free collective bargaining.

What are we doing? We are legislating them back to work under a system of compulsory arbitration, for the good of the country. We know they must go back to work. However, what kind of a situation are we placing ourselves in if we, as responsible legislators, legislate 56,000 or even 156,000 bitter, resentful men who are trapped in their jobs, many of which are lousy, back to work because they are essential?

The patience of these men is exhausted. If the Minister of Labour does not know that by now, he has no sensitivity about the feelings of these men and the dynamics of the situation, certainly in my part of the country. Some people have talked about 38 cents. We are part of the auction. Give them the world. Give them a buck. Give them anything because you support organized labour. However, that is not the case. A CNR switchman with a wife and two children in my riding, working full time, would be better off on welfare. That is the situation. What has a man like that got to lose by not going back to work? He has a lousy job, lousy working conditions, a lousy pension and no security. Are you going to appeal rationally and reasonably to people who are being pushed around like this?

I want the strike to be settled. I want it settled with the minimum of fuss. I want reasonable justice for these men. To try and avoid fuss would be wasting everybody's time. If you avoid a fuss, there will be real trouble. It is not just wages. These men are being subjected to kangaroo courts. They do not have any grievance procedure. They have company spooks with them on the job.

I humbly submit to the Minister of Labour that we are in trouble. A very serious situation is brewing in the railroad industry all across Canada. No one can be blind to that. The minister has sent people out there to look into the situation. The minister was powerless before, and tonight he is again powerless.

I do not advocate disobeying the law. However, I am not going to vote for any resolution, motion or bill that will send these men back into the situation they have been in for the past generation. The former minister of labour, the hon. member for Verdun, says there will be more flexibility. This means that if you are earning 30 cents you might be able to go up to 37 or 38 cents. However, if you are at 38 cents, there is no flexibility. Are all these people going to be driving Cadillacs next week if they get 38 cents? That is nonsense, and everyone knows it.

Some hon. Members: Hear, hear!

Mr. Rose: This session an opposition member is chairman of the transport committee. Do members know what has been brought before the committee so far this year? Nothing! This country is crippled because of transportation problems, but nothing has been referred to that committee. Why not? Because the chairman is an opposition member. Because someone had the temerity to move that he be chairman, the committee did not get anything to consider. The committee did not get the CNR financing bill. How is the CNR being financed? Every year the CNR financing bill, which involves $500 million or $600 million, is trotted out. We have not seen it this year. Where is the CNR annual report? We cannot have it. The committee wanted to travel throughout western Canada to look at

some of the problems. Were we permitted to do that? No. We might have headed off this sort of strike. Many members of parliament could have been considerably more knowledgeable about the dynamics and injustices of this issue if we had had that opportunity to travel.

Obviously, the CNR is not going to let down the CPR. The CN is a Crown corporation. Or is it? I do not understand the niggardly position of CN on wages and, for that matter, pensions. The top pension for a retired CN employee, 65 years of age, is $228 a month. What is it for Air Canada and the public service? It is $322. What happens when we talk about pensions for these people? Usually there is talk about some scandal, or the funds having been invested at very low interest rates. Why does CN not want to pay higher wages? It is because they are trying to maximize the return to the bond holders. We do not know who are the bond holders.

The CN is in the unusual situation of being its own transfer agent. We know that 42 per cent of the ballots are held privately. The only other corporation in that situation is Ontario Hydro—and look at the fun they have been having lately. In the past two years, $59 million was paid to private bond holders. They expect a settlement might cost that or even a little more. Are these shares going to the pensioners or are they going to retired school teachers, the Imperial Bank of Commerce, the Royal Bank, the Banque Canadienne Nationale, TransCanada Pipe Lines, or insurance companies?

The CN might have started originally as a trusteeship to liquidate the Grand Trunk debt and the debts of other little railroads. However, this situation was changed in 1960. We are here to protect the advantages of Canada. I am not sure whether the preoccupation of the CN with its bond market satisfies that intention. Neither will the niggardly, pitiful proposal of a 30 cents increase do that. That is not in the best interests of Canadians: all members of this House should realize that. Members should vote for the subamendment. I hope that some kind of sanity will prevail here sooner or later so that we can get this country back on the rails.

● (2300)

Mr. McGrath: Mr. Chairman, there should be no question about why we are here tonight. We are here tonight for two reasons, first, the failure of the government to deal with inflation and, second, the failure of the Minister of Labour to settle the dispute. We are not here to participate in any bidding game. Since the report of the conciliation board was brought down, since the report of the chairman was delivered to the Minister of Labour on July 13, inflation has run rampant in this country and as a consequence my leader, whose remarks were misrepresented by the Minister of Labour tonight, has taken the responsible attitude he ought to take as Leader of the Opposition by acknowledging that fact.

The Minister of Labour talks about the opposition participating in a bidding game. The fact of the matter is we accept the arguments put forward today by the Minister of Transport but we feel the government does not recognize the gravity of the inflationary situation we face. The Minister of Labour failed to take that factor into account. Incorporated in the bill presented by the government is a report of the chairman of the conciliation board. I agree with the Minister of Labour that this is the report which should be before the House tonight because we, as parliamentarians, have no business settling this dispute. We should accept the report of the chairman of the conciliation board because he is supposed to be neutral. But we have a responsibility to protect the workers of this country from the effects of inflation, and this is what we are trying to do by way of our amendment.

We put forward our amendment as a responsible amendment. We go one step further and try to narrow the disparity which exists between the non-ops, the shop crafts and the trainmen. This is why we have "upped the ante" for the second year. We cannot and will not accept the sub-amendment put forward by the NDP because they are in fact engaged in an auction game, and theirs is an irresponsible move.

Some hon. Members: Oh!

Mr. McGrath: I submit to you, Mr. Chairman, that we moved our amendment as a serious amendment in the honest conviction that, notwithstanding the failure of the government to recognize its responsibility, we have a duty to protect the workers of the country from the effects of the spiralling inflation we now face.

Mr. Harney: I must admit, Mr. Chairman, I was somewhat impressed by what the Minister of Labour apparently intended to say, but I was stunned by one phrase he used, a phrase which apparently he did not intend to use. He referred to the crisis which is before the country now as being a labour dispute. I submit it is prejudicial to refer to this conflict as a labour dispute. It is a dispute between labour and capital; it is a dispute between employer and employees. It is not a labour dispute. It is most important for members to recognize that it takes two sides to tangle. Surely, if we allow this kind of thinking, as exhibited by the Minister of Labour, to form the presupposition for the reasoning we use in order to settle such disputes, we obviously will always come down much more heavily on one side than on the other.

This is why, in this kind of legislation, which is an aspect of bargaining, we say three things. First, to the railways: You will operate the railways forthwith. Second, to the workers: You will go back to work. Then, to the workers again, we say this: You will go back to work at a certain rate. But because of the attitude of mind built up in so many of us we have failed to tell the railway companies that they must operate the railways at a certain profit and no more. What would be so irrational about doing this? If we can legislate workers back to work and tell them we accept a certain payment, why should we not look very closely also at the operation of the companies, and their profits, and what they are doing in terms of the savings of the Canadian people invested in their enterprises?

I rose, really, to establish just one point. It concerns the right of the House of Commons to make an act of judgment in this matter. The government initiated this act of judgment by calling us all back and presenting us with a bill containing a number of specifics having to do not only

with a money settlement but with other important matters.

For example, the bill contains a clause which says that the wage settlement shall apply retroactively. It could have been presented to us without such a clause. This was an act of judgment on the part of the government. It was also an act of judgment to specify a minimum rate as a basis for further negotiation and arbitration.

The Progressive Conservative Party presented its own act of judgment. It said the government proposal did not go far enough. I do not care whether they call it an adjustment or what they call it, they are simply saying: you are not paying these men enough. We in this party reserve the right to do the same. Our view is that the settlement is niggardly. Our view is that we have the power, the right and the duty to discuss this settlement fully, including the question of wage rates.

I listened carefully to the Minister of Transport this morning. It was hard to avoid listening to him carefully, he was so eloquent. He spoke to us with candour, with intensity and with fervour, as well as with considerable logic in relation to the unimportant bits and pieces of his speech.

I respected him for addressing himself squarely and clearly not only to the parliamentary situation in which we find ourselves but to the real nature of the conflict between management and railway workers. I notice that the members of the Official Opposition applauded the minister's speech enthusiastically. I do not think they applauded because they liked him more but because they liked us less. It was fairly obvious that the minister was tearing a strip off us this morning. I suspect he realizes that the only effective criticism of his position can come from this quarter of the House and not from hon. members to my right.

We are all bargaining, and let us admit it. The government party put in the first bid; the Conservative party put in the second bid, and we are putting in our bid now. The Social Credit party will put in their bid in other kinds of money. But we are all bargaining. We are all judges and we, in turn, whether the Minister of Transport likes it or not, will be judged by the people of this country.

● (2310)

Unfortunately we are here not only as employers but as arbiters; we are the judge and the jury. This is why members of my party have advanced the very correct thesis that it is totally invidious for parliament to be in this position.

I should like to say to the Minister of Labour and the Minister of Transport that if they do not think parliament should be involved in bargaining, the choices open to them are simple; not to call parliament back, or to do the kind of thing the right hon. member for Prince Albert did back in 1961, that is, not to bargain but to tell the people to go back to work. This is a very cruel but logical kind of procedure.

What I am stating is very simple. The logic of the government's position has to be followed through to its conclusion. Once having begun the process by bringing us back and by placing the bill before us, it must accept the validity and the necessity of continuing the bargaining right here and now.

I do not know how I could possibly add to the remarks of my colleague, the hon. member for Fraser Valley West. I cannot find the words from my own repertoire so I will do a little bit of quoting.

Some hon. Members: Oh, oh!

Mr. Harney: A number of years ago one of North America's foremost social critics, Paul Goodman, wrote in a book called "Growing Up Absurd" that we have a cockeyed way of distributing remuneration for work done in our society. He set forth three very simple principles which describe the way we pay people in our society, not the way we ought to pay them, and he said that the more the work is hard, the more the work is necessary, and the more the work is in the public realm, the less people get paid.

This is certainly the case when we are dealing with railroad workers. Perhaps there are some people who work harder than they do, but I doubt if you will find work that is more necessary than theirs. Their work is certainly public, and they are the very people in every case that we put up against the wall.

I discovered a little bit of cant in the speech of the Minister of Labour in his use of the term "labour dispute," but we are all guilty of using cant in these matters. Many of us have said: "Well, management may have its point of view, labour may stand for its point of view, but the only people who get hurt are the innocent public". There is no such thing as an innocent public. We are all participants in the marketplace, we all have our responsibilities, and we here in parliament cannot hide behind the so-called innocence of the public. We have a responsibility to see that the very mechanism of the marketplace, so lauded by my colleagues to the right, works.

This is Labour Day weekend and many of us, if parliament rises tonight or tomorrow, or by Sunday, will be heading off for a Labour Day holiday, probably participating in Labour Day events and making labour speeches. Let us remember one principle, not only on Labour Day but tonight when we are discussing a matter which has to do with labour, and that is the principle of using the services that people provide rather than using the people who provide the services.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Matte: Mr. Chairman, since there is before the House an amendment and an amendment to the amendment which have aroused the Minister of Labour (Mr. Munro) himself, I had intended to wait till the end of the discussion on this sub-amendment before moving a further amendment. But since my proposed amendment solves the problem of the amendment and the sub-amendment before us, I believe it my duty to explain at this point how, by way of an amendment slightly different from the one proposed, unanimity in this House could be achieved.

It is always extremely ticklish to arbitrarily fix any figure. Why 30 cents, 38 cents or 34 cents? What does that

represent? It represents a fixed amount which may well prove inadequate.

However, we are faced again with the same thing when we talk of percentage because that is also a fixed amount. It says "5 per cent." Why 5 per cent? At one point the same paragraph says "3 per cent." Why 3 per cent? Three per cent of what? Nobody knows. Those are arbitrary figures. Now, as my colleague from Lotbinière (Mr. Fortin) put it so well earlier, we believe we need a more realistic base for the decisions we are going to take since we are unfortunately left with the possibility of doing that as a result of the bargaining failure.

In view of those arbitrary figures which mean nothing why not base our decision on something fair to the employees, something reasonable and especially logical? That would be quite preferable to the proposed amendments which are simply based on the normal increases that those employees could have received due to the increase in the cost of living index. So it would be quite simple in order to solve the problem with which we are faced to replace the words "thirty cents per hour", "five per cent", and "three per cent" which are found in paragraph 5 (1) by "an amount based on a percentage equal to the increase in the cost of living index." That amount would be based on the average salaries of all railway employees. I think that whether you are an employee, a member of management or a member of parliament, that is perfectly fair, reasonable and understanding.

We all appreciate that the increase in income to be granted to those workers should be similar to that granted to workers in other fields, since in this century of progress we have provided nothing but obsolete and cruel means which might have been acceptable in centuries past. Indeed, it is unfortunate in this age of progress that people have to resort to compulsion or to medieval methods such as strikes to solve their problems. It is absurd, but we cannot blame the workers for doing so, because it is the only way available to them to obtain justice.

Therefore, we do not blame the workers for going on strike, but we blame the government for tolerating such a situation. Considering the present emergency situation, we are motivated to find a solution which will not aggravate the employees and will not push them to anarchy as we are told that the 30 cents an hour increase will not be accepted nor the back-to-work order incorporated in Bill C-217.

Then, why not avoid all those conflicts by simply substituting for the word "thirty cents an hour", "5 per cent" and "3 per cent" the wording "an amount based on the increase in the cost of living index"? If this amount is 38 cents, so be it. If it is 40 cents, it will be 40 cents. If it is a lesser amount, it will be so, but we will be assured it is fair.

Therefore, Mr. Chairman, I wonder whether the House should not at once consider this amendment which I have not yet moved but which I would like to do, to determine whether it would replace adequately the amendment and the subamendment now before the House. In this manner, we could resolve the problem very quickly, that is on August 31 instead of September 1 perhaps. I wonder whether we should immediately study our amendment.

[Mr. Matte.]

• (2320)

[*English*]

Some hon. Members: Question.

The Deputy Chairman: Is the House ready for the question?

Some hon. Members: Question.

Mr. MacEachen: Mr. Chairman, I have listened to the hon. member who has just taken his seat and I wonder whether he is proposing to put his amendment at this stage, or whether he expects to put it after the other amendments have been disposed of.

The Deputy Chairman: Order, please. The hon. member for Champlain did not present to the Chair an amendment or propose an amendment in due form. This is why the Chair cannot even make a decision. Procedurally, I think there is a difficulty.

[*Translation*]

The hon. member for Champlain (Mr. Matte) has referred to a proposed amendment, but according to the procedure prevailing in committee, it is impossible to accept any subamendment without having disposed of amendments already before us unless the committee decides to set aside the amendments before it.

Mr. Fortin: Mr. Chairman, on a point of order.

That is exactly what we have been asking for and we know very well that we cannot debate more than two amendments or subamendments at the same time. This is why we have merely referred to our amendment in the hope of getting unanimous consent in order that it may be discussed at the same time and voted on. That is why we have proceeded thus, but if the committee would let us introduce our amendment, then, Mr. Chairman, the problem would be solved.

[*English*]

Some hon. Members: Question.

Mr. Mackasey: Mr. Chairman, I apologize for rising so late on this subamendment, but I should like to draw to the attention of the hon. member from the Social Credit Party that his arithmetic is not all that good. He cannot blame the whole cost of living on the wages of the railway employees.

If the members of the New Democratic Party cannot hear, I can talk loud enough to tell the hon. gentleman who last spoke from the New Democratic Party that when he puts employer against employee and worker against boss, that type of thing went out of existence 65 years ago.

Some hon. Members: Hear, hear!

Mr. Mackasey: At least the hon. gentleman who had the good fortune of being born in Quebec City is honest in his philosophical approach as compared with some of the speeches we have heard from that end of the House today. It is obvious that the New Democratic Party once again wants to have it both ways, and it cannot have it both ways.

Some hon. Members: Hear, hear!

Mr. Mackasey: Now, Mr. Chairman—

Some hon. Members: Sit down!

Mr. Mackasey: Because I am overwhelmed I will sit down.

The Deputy Chairman: Is the committtee ready for the question.

Some hon. Members: Question.

The Deputy Chairman: The question is on the amendment to the motion.

Some hon. Members: Amendment to the amendment.

The Deputy Chairman: Maybe hon. members are confused, but the hon. member for St. John's East has moved a motion to amend the bill, and the motion of the hon. member for Regina-Lake Centre is an amendment to the motion proposed by the hon. member for St. John's East. The question is on the amendment to the motion.

● (2330)

Amendment to the amendment (Mr. Benjamin) negatived: Yeas, 26; nays, 181.

The Deputy Chairman: I declare the subamendment defeated. Is the committee ready for the question on the amendment?

Mr. Lewis: Mr. Chairman, I rise to say a few words at this stage on behalf of my colleagues and myself. I did not participate in the debate on the subamendment because I felt that last night I had stated our position and there was not much purpose in my repeating it. But I must say that I listened to pieces of sophistry from the Minister of Transport and the Minister of Labour that are really disturbing. As a matter of fact, what the government and what this parliament had before them was a number of suggestions as to how this dispute should be settled and on what basis the workers should be ordered to go back to work. The government chose one set of suggestions and the NDP chose another, not in a bidding or an auction but because we sincerely believe that the set of suggestions we make to this parliament gives the workers justice in a way which the set of suggestions that the government proposes does not.

Some hon. Members: Hear, hear!

Mr. Lewis: And then there is this sophistry about our not being in a position to make a choice, to use our judgment. It has been said, who are we to know? That kind of hypocritical modesty does not impress me.

Some hon. Members: Oh, oh!

Mr. Lewis: Every day of this government's life it makes judgments of that sort. It makes judgments on who shall receive a LIP grant and who shall be refused one; who shall receive an OFY grant and who shall be refused one; whose sentence to death shall be commuted to life on the basis of evidence that someone else has received, that the cabinet looks over and then decides on the result. The government had all the information that any blessed arbitrator could have. It had the briefs from both parties; it had the verbatim report of what took place before the board of conciliation; it had the reports of all the mediators; and it had all the information about the cost of living, about productivity, about salaries and wages in comparable occupations outside the railways.

All that information was before them. It is fatuous, hypocritical and dishonest to say that they were not in a position to make a judgment. The fact is that they made a judgment to give the workers as little as they conscientiously could. So they dragged out the chairman's report, and I say particularly because the railways had announced two or three days ago publicly, for the benefit of the eloquent and misleading Minister of Transport—

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): I rise on a question of privilege, Mr. Chairman. I am not saying that the proposal made by the NDP is more than the amount the employees were ready to accept.

Mr. Lewis: I do not know where the Minister of Transport got that, but I do not think that kind of remark is appropriate.

Some hon. Members: Oh, oh!

Mr. Lewis: I say the government made a choice, one which is unfair and unjust to the workers and would force parliament to make the workers go back to work, against their will and without justice or decency.

Then, as I see it, my friends in the Conservative Party decided that some increase had to be given. They agreed with the government that we should not make the judgment on the best and most just basis on which to send the workers back, but that some increase should be given. The workers had spoken to them, and they agreed it should be higher. So they concocted a validation to give them a few cents more. I do not care what their concoction was. I am not satisfied with what they propose. But I know that this bill will pass before this night or next morning is out, and that the workers will be required by law to go back to work. Therefore, my colleagues and I will vote for the Tory amendment, much as we think that it is not enough. We will support the amendment because we want the workers to get as much as possible when they go back to work, even if that is not enough.

I must admit that I say with a great deal of hesitancy and regret that I have to support the amendment. The Leader of the Opposition says that his party wants to give the non-operating employees justice in the second year, and they want to give them the same increase as the other groups are getting. Let me tell him first that they will not receive the same increase, because the same formula of 6½ per cent on January 1, 1974, and another 1½ per cent on July 1, 1974, on a base of $3.80 odd, which is what it will be, is a great deal less than the same percentage on a base of $4.40. So he is not giving them the same, and the increase he proposes is three-quarters of 1 per cent on an average.

What he has proposed in place of what the government has in the bill is an average increase for 1974 of 7.25 per cent instead of 6.5 per cent. In other words, he offers them

an added three-quarters of 1 per cent. This is the great Tory generosity to the non-operating employees. Three-quarters of 1 per cent for the whole of 1974 is offered. But I am not surprised. The people to my right months ago wanted to impose a freeze, so that the operating and non-operating employees, if it had come into force, would not have been able to receive any increase. So I suppose I should be grateful to them for agreeing to any increase.

● (2340)

I say as seriously as I can that this kind of situation in this parliament is sad. It is sad for parliament and sad for Canada that some 50,000 men and women—and there are women in the non-ops union—who have been out on strike for weeks without a single cent of strike pay or strike benefit are to be forced back to work by a law which does not provide for a settlement that is acceptable to them, or that is fair, just and reasonable. It is even sadder that this parliament should engage in an exercise which will take from the shop crafts union and the running trades employees the right even to begin a strike, and force on them a proposition that they are not prepared to accept.

Well, if that satisfies the government and if that almost satisfies the Conservatives, that is not news to us. We know, and we have always known, where the parties that spend their efforts helping to assist the development of the strong and privileged in this country stand. We have always known where they stood, and now they have proven it.

As I said, we shall vote for the Tory amendment, inadequate though it may be. I also want to say that when this measure reaches third reading, we will again oppose it as unjust to Canadians in their work.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. McGrath) agreed to: Yeas, 111; nays, 100.

The Deputy Chairman: I declare the motion carried. Shall the clause as amended carry?

[*Translation*]

Mr. Caouette (Charlevoix): Mr. Chairman, further to the remarks of my two colleagues, the hon. member for Lotbinière (Mr. Fortin) and the hon. member for Champlain (Mr. Matte), I must say we feel that it is quite improper for us to bargain as we did tonight. We should solve the problem efficiently and not, as the hon. member for Champlain explained, play around with figures; we can solve it only by basing our decisions on the cost of living index. Then, and only then will we solve the problem adequately for all, the railroaders concerned. I therefore move, seconded by the hon. member for Champlain (Mr. Matte):

That subclause (1) of clause 5 of Bill C-217 be amended as follows:

By deleting in lines 6 and 7 on page 3 of subclause (1) the words "thirty cents per hour", in lines 1 and two on page 4 of subclause (1) the words "by five per cent" and in line 6, on page 4 in subclause (1) the words "by three per cent" and substituting therefor the following: "by an amount based on a percentage equal to the increase in the cost of living index calculated on the average salary of all the railway employees."

[Mr. Lewis.]

Adopting that amendment would spare us what we have witnessed this evening, that is bargaining from 30 cents to 34 and then 38 cents, according to the arguments of the Progressive Conservatives who suggest that salary increases be based on the cost of living index, which has gone up by 4 cents since the last recommendations of Mr. Justice Munroe, or according to the NDP which maintains that 38 cents would equal 10.8 per cent in relation to the cost of living index. Why fool around with figures, percentages, when it would be so simple and salutary for the workers to solve the matter by simply indicating, as we are now proposing, that the increase be based on the cost of living index. We would not be grappling in a year or two with a recurrence of the problems confronting us today, but that would be the ideal solution.

So once again we have presented our motion, and we hope that the House will understand its merits.

● (2350)

[*English*]

The Deputy Chairman: Order please. I wish to inform hon. members that the motion that is proposed by the hon. member for Charlevoix does not seem to meet the rules and regulations and practices of this House. I want to make my comments directly to hon. members and refer them to citations on the acceptability of the amendment that is before us.

[*Translation*]

I must point out to the hon. member for Charlevoix that the proposal he is making now relates to a decision just made by the committee and if the hon. member wishes to be referred to various citations of Beauchesne's, particularly citations 146, 194 and 202, he will realize that the Chair cannot accept a proposal with respect to which a decision has already been made. The Chair is quite willing to understand the intention of the hon. member, but nevertheless he would have had to propose his amendment before a decision had been arrived at concerning the amendment agreed to a short while ago. Citation 146(1) of Beauchesne's provides that, and I quote:

No member shall—

Mr. Fortin: That is definitely not that one, but another one.

The Deputy Chairman: It is rather citation 148, which reads as follows:

148. (1) It is a wholesome restraint upon members that they cannot revive a debate already concluded; and it would be little use in preventing the same question from being offered twice in the same session if, without being offered, its merits might be discussed again and again.

Also, I would invite the hon. members to examine, on page 164, Subsection (1) of Citation No. 194, and I quote:

194. (1) A motion or amendment cannot be brought forward which is the same in substance as a question which has already been decided—

I understand that the hon. member proposes a new alternative to the committee, but he is dealing in fact with a matter which has already been decided by the committee.

The quotation continues:

—because a proposition being once submitted and carried in the affirmative or negative cannot be questioned again but must stand as the judgment of the House. This Rule applies to the decision taken on amendments to the Address in Reply to the Speech from the Throne.

Finally, I would refer the hon. member to Subsection (1) of Citation No. 202, on page 169 of the same work; I should rather say Subsection (1) of Citation No. 200, on page 167, and I quote:

200. (1) An old rule of Parliament reads: "That a question being once made and carried in the affirmative or negative, cannot be questioned again but must stand as the judgment of the House." Unless such a rule were in existence, the time of the House might be used in the discussion of motions of the same nature and contradictory decisions would be sometimes arrived at in the course of the same session.

And I think that it is precisely on the last part of this citation that the decision must be based because, should the motion presented by the hon. member for Charlevoix be voted upon, the committee could reach a decision completely in opposition to that which has just been reached in connection with the motion submitted by the hon. member for St. John's East (Mr. McGrath).

For all these reasons, and according to British procedure and to the practice of this House, it is impossible for the Chair to accept this proposal.

Mr. Fortin: Mr. Chairman, I rise on a point of order.

The Deputy Chairman: The hon. member for Lotbinière is rising on a point of order.

Mr. Fortin: First, Mr. Chairman, I thank you for not having given me the opportunity to defend our amendment!

Mr. Chairman, I rise on a question of privilege.

As to the British reforms which you mentioned with so much eloquence. Mr. Chairman, usually when a motion is put forward, the mover or one of his colleagues is given the opportunity to discuss the procedural acceptability of the proposed amendment.

Mr. Chairman, in the circumstances, I am extremely surprised to see that your ruling was made before we could make our point; moreover, you started ruling by referring to clauses which were not relevant.

This is why I ask that we be allowed to state our views.

The Deputy Chairman: Order please. The Chair does not want to engage in a debate with the hon. member for Lotbinière. It is nevertheless a prerogative of the chair when, in his mind, a question is not clear; but as this question was obviously clear and considering the citations quoted as well as the late hour, I think that hon. members would not want us to engage in a long procedural debate.

The ruling was based on facts and it has been made.

Mr. Fortin: Mr. Chairman, I rise on a question of privilege. You said: "If the question was clear". I would like to know why then, when you decided at the beginning that our motion was not in order, you referred to Citations 146 and 202 which were not relevant while you later quoted Citations 148 and 200, on the recommendations of your advisors?

Mr. Deputy Chairman: Order. Is the committee ready for the question on clause 5 as amended?

[*English*]

Shall clause 5, as amended, carry?

Some hon. Members: Carried.

Some hon. Members: Question.

Some hon. Members: No.

The Deputy Chairman: The hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): On a question of privilege Mr. Chairman, I really feel there has been some misunderstanding. When Your Honour rose immediately after the amendment was moved, as I understood what Your Honour was saying, it was to the effect that you wished to make comments to indicate your position. I thought it was clear that you were going to permit comments from the floor. If that had not been clear I certainly would have been on my feet at that time. It seems to me the ruling has come pretty quickly, and as a matter of fact I certainly feel that there are arguments the other way. If Your Honour takes the position that because the House has passed an amendment to a clause therefore we have made a final decision, I do not think that can stand up. If that position is taken then Your Honour is saying we cannot even defeat clause 5. We have not finally taken this position.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I think it is quite unfair for hon. members opposite not to be heard with respect to the procedural admissibility of their amendment. I do not happen to agree with the amendment, but I do think they have the right to be heard.

Some hon. Members: Hear, hear!

The Deputy Chairman: Order please. Maybe the point raised by the hon. member for Winnipeg North Centre is well taken. However, as far as the Chair is concerned the hon. member for Charlevoix did give advance notice of the content of his proposed amendment a few minutes before. The Chair even had a chance to call for Beauchesne's French edition and to look up a few citations. Of course there might have been confusion in the numbers, but the Chair did make the correction and referred to Citation 148 and Citation 200 instead of Citations 202 and 194.

● (Midnight)

After a decision has been rendered it is not the practice of this House to reopen a discussion. A decision has been rendered by the Chair. I do not think there is anything against the Chair making a decision if the Chair is definitely sure of the decision it is rendering. The hon. member may want to cite precedents whereby the Chair was refused the opportunity to make a decision without opening a procedural debate. Citation 200(1) of Beau-

chesne's is quite clear. I based my decision mainly on that citation.

Mr. Peters: Mr. Chairman, we have before us an amendment to clause 5. Regardless of whether I agree with the decision that was made, I wish to make an additional proposition. On behalf of parliament I wish to add a cost of living bonus for those who are covered by this and other clauses of the legislation. I do not feel it is in competition with what has been done in the amendment which the committee just approved.

As I said this afternoon, if parliament makes a decision on behalf of two conflicting parties to implement legislation forcing the workers and the companies to resume their operations, we should at least ensure that those who are affected are not worse off at the end of the legislative process than at the beginning. I sincerely believe that justice will be done for the workers in the three categories which are affected by this clause, the non-operating members of the railway fraternity. I therefore, move that the following be added at page 4, line 7:

—and by increasing each basic rate of wages by a percentage increase, equal to the cost-of-living increase, as determined by Statistics Canada, effective on the dates such cost-of-living figures are released by Statistics Canada subsequent to January 1, 1973 and continue for the life of this legislation.

This means that if the cost of living remains static, the workers forced back to work will be no worse off than they are at present. However, it if increases, the cost of living increase determined by Statistics Canada will be applied. As the Minister of Transport said, this technique has been used in collective agreements by various organizations, not to get a wage increase, but to retain the standard of living. This was done in the late 50's or early 60's in a contract in which I was involved.

Adding this subclause fulfils the responsibility of parliament to ensure that those legislated back to work will be assured of retaining the same standard of living. This should be supported by all members in order to retain for these people the standard of living which they were able to convince the chairman of the conciliation board was fair and just. This and other groups will be able to do that throughout the life of this legislation.

The Deputy Chairman: I hope the committee will not prevent the Chairman from accepting the amendment without procedural debate. At this point, the Chair finds it acceptable. Is the committee ready for the question?

Some hon. Members: Question.

● (0010)

Amendment (Mr. Peters) negatived: Yeas, 29; nays, 172.

The Deputy Chairman: I declare the motion to amend clause 5 defeated. Shall clause 5 carry?

Some hon. Members: No.

Mr. Orlikow: Clause 5 deals entirely with wages. The government has studiously avoided another subject which is of equal concern to the railway workers. I refer to job security. As I listened to the Minister of Transport making his eloquent speech this morning, I came to the conclusion that the more difficult his position becomes, the more eloquent he becomes as compared with the years when he led workers as a labour leader, and the more his views change. As I listened to him I could not but realize that there was not a word of consideration on his part for the difficulties which the railway workers experience. What we heard was a 100 per cent defence of the status quo in the railway industry as it has been and as it will continue if the government has its way.

In less than 20 years the labour force in the railway industry in Canada has been reduced by more than one third. No other industry has experienced a reduction of this size. Railway workers are worried about their lack of job security and by the fact that the tremendous increase in the productivity of the railway industry has gone entirely to the profit of the company.

Mr. Munro (Hamilton East): I rise on a point of order, Mr. Chairman. The hon. member is talking now about job security and he makes some valid points, but he is speaking on the subject with reference to clause 5 which deals with the wage question. I suppose he may be doing so because the NDP has prepared an amendment with respect to the Weldon report tied in with the wage consideration. However, I suggest we have a proposal which would accomplish the same purpose with respect to job security. It pertains to clause 16(3), which is on page 12. There we are talking about special references to the arbitrator concerning job security. This is a general application clause which applies to all three groups. I suggest the hon. member would find his comments more pertinent to that clause.

Mr. Orlikow: Could I ask the minister whether the government intends to move an amendment which would spell out job security provisions for railway workers?

Mr. Munro (Hamilton East): I have a proposed amendment involving a direction to the arbitrator which I think the hon. member will find acceptable.

Mr. Orlikow: If the minister has an amendment I am content to wait, but I tell him right now I shall not be satisfied to leave the question of job security as one of the unsolved problems to be dealt with unilaterally by an arbitrator.

Mr. Munro (Hamilton East): Before the hon. member prejudges the question, I suggest he look at the amendment. He may find that the special direction to the arbitrator which would be contained in the statute gives him a sense of security.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise on a point of order. Earlier in the day the President of the Privy Council requested that those of us who were planning to submit amendments should produce copies of those amendments in advance. We readily complied. Even my friends to the right complied in due course. I suggest that if the government has further amendments to move, they should in all courtesy let us have copies of them now.

Mr. Munro (Hamilton East): That is quite agreeable. I will send them over now. I should like the hon. member to appreciate that some of the amendments took into consid-

eration arguments which have been advanced, and we only worked them out in the latter part of the day.

Mr. Morgan: Mr. Chairman, as a rookie member I have been sitting here all day wondering what the House is attempting to do. We have a serious responsibility and I sometimes wonder, with all the rhetoric and so-called logic which has gone on amongst us, whether we are really taking our responsibilities seriously or whether we are here only in a pro forma position. I have listened to what the leader of the NDP has to say, and hearing all the rhetoric and double-talk which has come out of him I am reminded of a little rhyme. Perhaps it is the hour of the day which brings it to my mind. It is:

There was an old man from York South,
Who knew not what the truth was about.
So to save himself trouble,
He spoke at the double,

At once from both sides of his mouth.

That is an example of what he and his party have done here. The so-called government has failed to set a good example. It has done nothing. It has caused chaos in this country, with inflation running rampant. The government sat on its hands, and the Minister of Labour has not contributed a thing toward that which we want done in this country.

● (0020)

An hon. Member: Hallelujah!

Mr. Morgan: Perhaps because of the hour my mind is cast to the thought that "When Munro went from "health" into "labour", the government said, "Here is your saviour". But to say the least, there was no star in the East, and the pain was just greater and greater."

Some hon. Members: Hear, hear!

Mr. Morgan: I am satisfied that the members of this House have the ability and the intelligence to solve the problems that come before us, but sometimes I am weary about what goes on. I admit I am a rookie and perhaps I must get used to this kind of nonsense that goes on and on. But things must be done—inflation must be corrected, and the people of this country must be looked after. I submit that this is not being done. We sit here hour after hour discussing things that could be done with any degree of intelligence and if we had a government that knew what it was doing and where it was going. If that were the case, we would not have these problems today. I think that as soon as we can bring to a conclusion what we are attempting this evening, putting the railway workers back to work, the better the country will be served.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Chairman, I shall take to heart the words uttered by the hon. member who has just resumed his seat and make my remarks very brief. We on this side of the House have voted against two amendments to clause 5. We have done so in order to emphasize a principle that was enunciated earlier today by the Minister of Transport, and later by the Minister of Labour—a principle that sought to establish a future settlement, first of all on the basis purely of the award by the chairman of the conciliation board, and later by the arbitrator, in conformity with the practice that has been established in the past.

Some hon. Members: Order.

Mr. Bell: You can't reflect on a vote.

Mr. MacEachen: I am not reflecting on the vote. I am saying that we have sought to emphasize this principle in committee of the whole. The committee has not accepted the principle we put forward, and in accepting the subamendment moved by the Leader of the Opposition it has accepted a different principle. I make no comment about that at this stage. However, facing us now is a decision in respect of the clause as amended. When the Chairman calls the clause as amended, the clause as a whole will be before the committee.

I want to indicate to members of the committee that we on this side of the House will be supporting the clause as amended because we take the view that it is essential that this bill be passed in order to end the national crisis in the transportation system; and in addition to that, an effort to defeat this clause would deny the workers a wage settlement or would be an effort to deny the workers a wage settlement—and that is the very heart of this clause.

Certainly it is not our intention to frustrate that objective, and for that reason it is entirely consistent for us to indicate to members of the committee and the country that we support this clause as amended in order to reach the objective I have stated.

An hon. Member: You have no choice.

Mr. Hees: What else could you do? You have been licked, and you have to accept that verdict. In other words, you have been knocked out and you have now announced that you have been knocked out. That is real Liberal honesty.

The Deputy Chairman: Order, please.

[*Translation*]

Mr. Fortin: Mr. Chairman, we have tried in various ways to amend clause 5 with which we could not agree in any way in principle. This clause provided for an hourly rate which was inadequate and established standards which were not indexed on the rise in the cost of living, which went against the objectives of the workers.

Mr. Chairman, while accepting of course the principle of an increase of 30 cents, we believe it is not sufficient and this is why we were putting up a fight: we wanted the increase provided for in clause 5 to be geared to the ever increasing cost of living. This is why our party supported the motion moved by the hon. member for Timiskaming (Mr. Peters) who wanted to see this clause to provide a constant rate for the increases in the cost of living. We wanted to see this amendement to clause 5 based on a amount calculated on a percentage equal to the rise in the cost of living index computed on the average wages of all railway employees.

Mr. Chairman, such was the principle that we upheld as forcefully as we could and it is exactly the same as the one put forward by the hon. member for Timiskaming (Mr. Peters); that is why we voted with him. Now we cannot go

any further, except to pass or reject clause 5. It is obvious that in keeping with our position, we will support this legislation as amended.

Mr. Chairman, I would ask the House to note that I am still wondering what difference there is between our argument and that of the hon. member for Timiskaming.

The Deputy Chairman: Order, please. Shall clause 5 carry?

[*English*]

Shall clause 5 as amended carry?

Some hon. Members: Carried.

Mr. Peters: On division.

The Deputy Chairman: All those in favour of clause 5 as amended will please rise.

• (0030)

Clause 5 agreed to: yeas; 173; nays, nil.

The Deputy Chairman: I declare clause 5 as amended carried. The hon. member for Skeena rises on a point of order.

Mr. Howard: I wonder, Mr. Chairman, whether we might propose something to the committee to expedite what we are doing.

An hon. Member: Sit down.

Mr. Howard: Mr. Chairman, I think we could move matters along a little more quickly if we now take the opportunity to revert to clause 4 which we stood earlier. I had moved an amendment earlier and, on reflection, I think I would like to withdraw it.

The Deputy Chairman: Does the committee give unanimous consent to the hon. member for Skeena to withdraw his amendment?

Some hon. Members: Agreed.

Mr. Howard: Mr. Chairman, I am asking unanimous consent to revert to clause 4. We must do that in order to get to the next stage. We cannot jump over one set of procedures.

The Deputy Chairman: Does the committee agree that we revert to clause 4.

Some hon. Members: Agreed.

On clause 4.—*Railway services to be resumed.*

Mr. Howard: Earlier on clause 4 I moved:

That sub-clause (1) of clause 4 be amended by inserting between the words "suspended" and "and" in line 5 thereof, the following:

"and shall call back for employment every employee as soon as the operation of the railway is resumed".

I would like permission of the committee to withdraw that amendment.

Some hon. Members: Agreed.

[Mr. Fortin.]

The Deputy Chairman: Order, please. I must remind hon. members that we have to follow certain rules. The hon. member can withdraw his amendment only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Amendment (Mr. Howard) withdrawn.

Mr. Howard: Mr. Chairman, upon reflection upon the original amendment which I moved has now been withdrawn, and in an attempt to approach this in a better way I should like to move:

That sub-clause (1) of clause 4 be amended by inserting between the words "suspended" and "and" in line 5 thereof, the following:

"And shall call back for employment every employee within four days of the coming into force of this act".

Mr. Munro (Hamilton East): Mr. Chairman, I sent over to the hon. member for Skeena an amendment I propose to move to the present clause on page 10. That clause not only dealt with the earlier amendment raised by the New Democratic Party with regard to protection for those people laid off but added a further provision that once those people laid off are brought back to work they could not be immediately laid off again as a result of the same strike. Then the hon. member for Skeena indicated he wished to move an amendment to clause 4 which would impose a reasonable time limit on the railways to bring back both the strikers and the laid off people.

We took that into account in the further strengthening of the lay-off provisions which I sent over to him. I have sent to the official opposition a copy of the proposed amendment. Hon. members will notice that the proposed clause starts off with the words, "Forthwith upon the coming into force of this Act". That is very strong wording in terms of the immediate implementation. Really in layman's language it means as soon as possible. This can impose upon the railways a legal obligation to proceed with haste. Then it goes on in the next four lines to say:

—every railway company to which any part of this Act applies shall call back to work every employee of the railway.

So, I think this affords the hon. member for Skeena every possible protection he wants. Again I would point out that the clause I sent over refers to every employee and not just those laid off or on strike.

Mr. McGrath: Mr. Chairman, we believe the amendment proposed by the government is a much stronger amendment than that put forward by the hon. member for Skeena and consequently with some reluctance we will have to vote against the amendment put forward by the hon. member for Skeena if he intends to proceed with it. However, we make clear that we intend to support the amendment proposed by the minister.

Mr. Howard: The hon. member for St. John's East can run into a trap. Let me say first that the Minister of Labour stood up and said he sent over to me a copy of the proposed amendment to which he just referred. It arrived here while I was on my feet moving my second amendment. That was the first time I saw it. The second point I want to make is that clause 4 says at the outset:

Forthwith upon the coming into force of this act, every railway company shall resume operation—

"Forthwith" means immediately, right at that very moment on the very day. The first amendment I moved carried with it the same implication that the workers would be called back to work forthwith. The minister rejected that earlier today saying that that was an impossibility because all the people would be standing around doing nothing.

Mr. Nielsen: He changed his mind.

Mr. Howard: He does not have a mind to change, like the hon. member for Yukon. If the minister now intends to say clearly and unequivocably that he accepts the first principal point I put forward in the amendment that the workers be called back on the very first day this bill comes into force, then he is accepting the point I put forward earlier. If that is not it, then he is playing games with me. What does he mean?

Mr. Munro (Hamilton East): I could dwell on what has been going on. "Forthwith upon" can impose an obligation upon the railway companies to proceed as quickly as possible. It does not mean that it will be done immediately. It does not mean the next day.

● (0040)

An hon. Member: What does it mean?

Mr. Munro (Hamilton East): In all honesty I cannot say to the hon. member for Skeena that it will be the next day. The reason I am saying this is simply that it may be impossible for the railways to get everything in working order and ready to absorb all the employees within a day. I suggested at one point that even if there were adherence to this legislation immediately by all the workers it is not possible for the railways to be in full operation by this weekend. There are people on the railways who disagree with me publicly in that respect, including union leaders.

I am saying that the time interval which is permissible and which is limited should give the needed flexibility. Otherwise it seems to me to offend logic to cast an obligation for all this to happen within one day. That is simply my point.

Mr. Muir: Mr. Chairman, I wish to have some clarification. The minister said "as soon as possible". Does that mean that if a foreman does not like certain workers or their attitude during the strike he can make "as soon as possible" three weeks from the end of the strike, four weeks, or two weeks from its completion, and when these people approach their members of parliament about not being able to return to their jobs, to whom do we go? Do we speak to the Minister of Labour or do we go to the CNR and, if we do, what is the interpretation of "as soon as possible"? I have sat in the House for many years and even asked the minister who is now in charge about when such and such a thing will be done. His answer has been "as soon as possible". Six months later someone else asked the same question, and again the answer was "as soon as possible".

What is the interpretation of these words, and what will happen to these workers? The reason I ask this is that I am concerned about the workers of this country. No leader of any party in the House has a monopoly on concern for the workers. They stand up so sanctimoniously and wrap themselves in a cloak of purity. They say they are the only ones who care about the poor, the disabled, the widows, the orphans and the workers of this country. As I look around this House on all sides I see men who were formerly hardrock miners, fishermen, coal miners, farmers, and many types of workers. For example, the Minister of Veterans Affairs was a farmer. Are they all great millionaires and men who only worry about the rich guy? I think we all worry about the worker. I certainly do. I have spent my days in the unions and in the coal mines and I have worked hard for the unions and the coal miners. I have been on picket duty and on strike and I did not receive a retainer fee of $100 a day from the CLC or from anyone else.

Some hon. Members: Hear, hear!

Mr. Muir: I ask these questions because I am concerned as an ordinary Canadian about the workers of Canada. No leader of any party, no one in the House, has the right to say that they are the only ones who worry about the worker. For many years the Minister of Transport has worked in the labour movement. Has he thrown his concerns out the window; has he forgotten about the workers? I ask the minister about this because I have been listening to certain people to my left. I want certain assurances—and here I agree with the hon. member for Skeena—about how soon these men will go back to work and whether they will be given their proper duties to fulfil, and will not be discriminated against by a boss who feels he wants to get back at the workers. I am sure that many of us are concerned. Let us not listen to a lot of damn foolishness from one man rising in the House and saying he, the little god above all, is the only one who cares about the workers of this country.

Mr. Munro (Hamilton East): In reply to the hon. member for Cape Breton-The Sydneys may I say that these words were used in an effort not to tie this down to a particular day in case it was not workable. The hon. member liked the phrase "forthwith upon". The closest analogy to that would be "almost immediately". You do not impose an obligation within a day if the results are likely to be ludicrous.

This casts a definite obligation on the companies to proceed in all haste to hire each and every employee regardless of whether or not they were on strike, and they are obliged to do so almost immediately. I think it would be unreasonable to require them to do so in almost one day within the coming into force of this bill, in terms of the practicalities involved and the knowledge of how much time the railways will need to achieve full operation. I think this clause does give the protection sought by the hon. member for Cape Breton-The Sydneys as well as that sought by the hon. member for Skeena.

Mr. McGrath: Perhaps we could settle this simply by referring to the Oxford dictionary. We said at the outset that we thought the minister's amendment is a much stronger one than the one proposed by the hon. member for Skeena. That is borne out by the definition of "forth-

with" in the Oxford dictionary. It says simply "immediately, without delay".

Mr. Muir: May I ask the minister one brief question? If all that he says should be done is not carried out, is he prepared to assure the House that it will be carried out as soon as these discrepancies are brought to his attention?

Mr. Munro (Hamilton East): Yes, Mr. Chairman. I might add that also under the Canada Labour Code there is protection against discrimination against workers. I discussed the matter fully with the Minister of Transport and he is prepared to co-operate in terms of dealing with the companies to ensure that the intent of parliament is carried out as rapidly as possible.

Some hon. Members: Hear, hear!

Mr. Muir: I thank the minister for his reply, but I regret to say that it has brought up another question. Is the minister prepared to prosecute the railway companies if they do not carry out the letter of the law as contained in this legislation?

Mr. Munro (Hamilton East): Obviously we are satisfied that if the companies do not carry out the will of parliament they will be in breach of the statute and will be committing an offence and should be prosecuted.

Mr. Baldwin: The same as anybody else who does not obey under the criminal law.

The Deputy Chairman: Is the committee ready for the question on the amendment proposed by the hon. member for Skeena?

Mr. Howard: I drafted the four day proposal after consulting with members who sit in the party to my right with the thought that they might support that proposition, but the hon. member for St. John's East has dashed that commitment to the ground, thus indicating that some Conservatives are not to be trusted no matter what the situation.

Some hon. Members: Oh, oh!

Mr. McGrath: Mr. Chairman, I am not aware of any such consultation, and may I suggest to you with great respect, even though the hour is late, that we are realizing what the hon. member is trying to achieve and we support his objective. All we are saying is that the minister's amendment states it much more strongly and effectively.

Mr. Howard: It does not help the matter a bit, Mr. Chairman.

● (0050)

Some hon. Members: Oh, oh!

Mr. Howard: I have noticed one thing about the gentlemen who sit to the right of me. They can dish it out, but they sure can't take it. I am trying to put some facts on record so that those who may have dealings with them in future will know about them. I also wish to see whether hon. members will be generous enough to give me a second opportunity to withdraw the amendment.

[Mr. McGrath.]

The Deputy Chairman: Am I to assume that the hon. member is seeking the unanimous consent of the committee to withdraw his second amendment?

Mr. Howard: Certainly.

Mr. McGrath: We are generous enough to get the hon. member off the hook.

The Deputy Chairman: Does the committee give unanimous consent to the hon. member for Skeena to withdraw his amendment to clause 4.

Some hon. Members: Agreed.

Amendment (Mr. Howard) withdrawn.

The Deputy Chairman: The committee will now consider an amendment which was moved by the hon. member for Saskatoon-Biggar which reads as follows:

That paragraph (a) of subclause (3) of clause 4 of Bill C-217 be amended by inserting after the word Act in line 25, the words "or were laid off as a consequence of the strike".

Mr. Munro (Hamilton East): I believe this is a similar amendment to the one which the hon. member for Skeena withdrew. I think the basis on which the hon. member for Skeena withdrew his amendment also takes care of the concern of the hon. member for Saskatoon-Biggar concerning lay-offs. Indeed, there is to be some further assurance that the person who is laid off and then brought back to work cannot immediately be laid off again. That amendment, of course, can be inserted in the general section at the back of the bill at page 10 and applied to the entire bill. I think that would take care of the situation and perhaps the hon. member would be prepared to withdraw his amendment or take care of the matter when we get to page 10 of the bill.

Mr. Gleave: I am concerned to see that justice and fairness are observed and that workers go back to work following the action of this parliament. I accept that the minister in good faith has suggested this course and that the proposed wording in this act will give as much assurance to the workers as possible. I appreciate what the minister has done, and with that I am satisfied with the proposal as it stands.

The Deputy Chairman: Am I to understand that the hon. member wishes to withdraw his amendment.

Mr. Gleave: Yes, Mr. Chairman.

The Deputy Chairman: Does the committee give unanimous consent to the hon. member for Saskatoon-Biggar to withdraw the amendment he proposed to clause 4?

Some hon. Members: Agreed.

Amendment (Mr. Gleave) withdrawn.

The Deputy Chairman: Shall clause 4 carry?

Some hon. Members: Agreed.

Clause 4 agreed to.

The Deputy Chairman: The committee will now consider clause 6. Shall clause 6 carry?

Some hon. Members: Agreed.

Clauses 6 and 7 agreed to.

On clause 8—*Railway services to be resumed.*

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, we gave notice of an amendment to clause 8 similar to the amendment that was moved by the hon. member for Saskatoon-Biggar to clause 4. I take it that the minister will move his amendment when he reaches clause 14 and that it will cover this group as well as the others.

Mr. Munro (Hamilton East): Quite so.

Mr. Knowles (Winnipeg North Centre): Therefore we shall not move that proposed amendment.

The Deputy Chairman: Shall clause 8 carry?

Some hon. Members: Agreed.

Clause agreed to.

On clause 9—*Terms of collective agreements amended.*

Mr. Neale (Vancouver East): Mr. Chairman, I wish to propose an amendment to clause 9. As, not surprisingly, a similar amendment was shot down in flames previously by the "friends of the workers," I expect mine will get short shrift. Nevertheless, I feel there are a few things I have to contribute, in the hope that hon. members on the other side of the House and hon. members to my right will take them into consideration when the "proverbial" hits the fan in the next few weeks, because I expect it will.

An hon. Member: Explain.

Mr. Neale (Vancouver East): Earlier today the Minister of Transport and the hon. member for Verdun told this House about the expertise they had derived from their many years of negotiation. Prior to coming to this place I spent 27 years as a full-time trade union leader. Most of that time was spent in negotiations, in arbitration and conciliation covering every aspect of this question federally and provincially. I like to think that during that 27 years a little expertise rubbed off on me.

In those years I learned two things specifically that have concerned me all day, and I want to relate them. One has to do with the problem of arbitration. I have never advocated arbitration, and have never advocated compulsory arbitration in my life—and I have no intention of doing so tonight, tomorrow, or Sunday, if we stay that long. I want to give you some idea why. In British Columbia, the previous government brought in legislation which provided for compulsory arbitration. They called it the mediation act. There is a senator sitting in the other place who agreed to compulsory arbitration in British Columbia. The settlement, after arbitration in that case, was less than the workers had been offered during negotiations.

Two years ago in British Columbia, 40,000 construction workers were out on strike. They were ordered back to work by the provincial government and refused to go, but went back into negotiation because the government did not enforce the legislation. Subsequently, they got the best settlement they had ever received in all the negotiations I can recall in British Columbia. That gives you some idea of what arbitration is all about.

I have never known arbitration to give a better settlement than that previously offered. What has been offered in this case is the bill that is before us now. I also know that the railroad workers have some knowledge of arbitration, because they have been sandbagged—not for two years, nor for ten years, but for over 40 years in this country. If you go back in history you will find that during the depression they took any kind of job they could get. Then the war came along and their wages were fixed by law. As a consequence they got nothing more. Since the war, even though the Minister of Labour talks about the right of free collective bargaining, the railway workers have not had it. Nobody can tell me that an employer will negotiate in good faith if he knows that at the end of the road there is compulsory arbitration.

• (0100)

We talk about honesty and fair bargaining on both sides in past settlements just because we have not had to force them back on every set of negotiations. But there were only fair and reasonable negotiations on one side because employers knew all along that they just had to sit tight and offer practically nothing in order to force the workers to strike, and then this House would order them back to work under compulsory arbitration.

Years ago there was a song called "King of the Road," which had something to do with hoboes. That is not the true meaning of King of the Road which was introduced at about the time Eugene B. Debbs was leading railroaders in the United States and led them to higher wages. Even with the amendment that we have passed this legislation does not bring the railroaders level with the cost of living.

The minister accused the leader of my party of blackmail when he suggested that my leader said they would not order their people back to work with this legislation. If you think that is blackmail just listen to this. I have had telephone calls and telegrams from people in the railroad unions in western Canada who have told me that even if their leaders order them back to work they will not go. I know the west has always been a little more militant than the rest of the country, but the militancy seems to be spreading east in the labour movement. I expect real problems after we have supposedly fixed up the situation and settled the dispute.

I have been talking to railroad workers in British Columbia and would like to give some examples of how they have slipped behind other workers. An engineer in the yards told me that after 29 years' employment he earns $36 a day. At Vancouver Plywood we start girls with no training at $38 a day.

The Assistant Deputy Chairman: Order, please. The hon. member rises on a point of order?

Mr. Cafik: No, Mr. Chairman. I wanted to know if the hon. member would permit a brief question. He indicated that he had received a great number of telephone calls and telegrams. I would like to know where the telegrams came from, in view of the strike.

Mr. Neale (Vancouver East): The telegrams were phoned to me. I do not know whether the hon. member expects me to telegraph my punches, but I do not intend to do that as long as I am standing here, Mr. Chairman.

Mr. Guay (St. Boniface): I should like to ask the hon. member a question through you, Mr. Chairman.

The Assistant Deputy Chairman: The Chair can always agree, but does the hon. member agree to answer a question?

Mr. Neale (Vancouver East): Mr. Chairman I shall be very brief and then entertain any question from either side of the House.

Mr. Guay (St. Boniface): I will send him a telegram then.

Mr. Neale (Vancouver East): I was just going to cite one more example of the dire situation of the railroad workers. Their basic wage rate is $2.39 an hour, according to my information. Most of the workers I talked to would get more money if they went on welfare in British Columbia. I cannot understand why they work eight hours a day for that money.

For the information of the hon. member for Temiscamingue who constantly attacks the government of British Columbia, I would point out that the basic wage in British Columbia will soon be $2.50 an hour. That is 11 cents an hour more than the present base rate paid by the railroads. I cannot understand why the hon. member is forever attacking the government of British Columbia when he knows so little of what goes on in his own province, let alone in one so far from La Belle province.

I want to conclude by saying that this is just a charade that we go through with the railroad workers. We try to point out to them that they have a right to free collective bargaining when we know they have not. Sooner or later we must devise some other system to resolve their problems or we are going to find ourselves right back here. Even if we force them back to work now, we will be back here in two years in the same position. When that time comes they will not only be asking for an increase to match the cost of living but will be asking to catch up with other workers, and they are entitled to that.

We had better take a good look at what we are doing, Mr. Chairman, because I expect to see serious dislocation in the railroads across the country.

I therefore move, seconded by the hon. member for Westminster that subclause (1) of clause 9 be deleted and the following substituted therefor:

(1) The terms and conditions of each collective agreement to which this Part applies are amended forthwith by increasing each hourly basic rate of wages in effect on December 31, 1972, as established by or pursuant to such agreement, by ten and eight-tenths per cent effective January 1, 1973, and by increasing each hourly basic rate of wages in effect on December 31, 1973, as established by or pursuant to such agreement and pursuant to this Part, by ten and eight-tenths per cent effective January 1, 1974.

The Assistant Deputy Chairman: Order, please. Shall I read the amendment?

Mr. Reynolds: A point of order, Mr. Chairman.

[Mr. Cafik.]

The Assistant Deputy Chairman: Order please. I shall put the motion first. Shall I dispense with reading the motion?

Some hon. Members: Dispense.

The Assistant Deputy Chairman: The hon. member for Burnaby-Richmond-Delta.

Mr. Reynolds: I wonder if I could have the permission of the House to ask the previous speaker a question.

The Assistant Deputy Chairman: The time of the hon. member had not expired. Is it agreed?

Mr. Neale (Vancouver East): Yes, I agree.

Mr. Reynolds: Mr. Chairman, I agree with the previous speaker on some points and know that he is a very well respected labour leader in my province. I know he has been in contact with the union people and their leaders today, as I have. I should like to ask him this question: when parliament does pass this bill, as we expect it will shortly, and the bill becomes the law of the land, will the hon. member do his duty as a member of parliament and advise his workers that they should go back to work?

Mr. Neale (Vancouver East): Mr. Chairman, I said previously that I would not telegraph my punches and I do not think that kind of question even deserves an answer in this House.

The Assistant Deputy Chairman: The hon. member for St. Boniface on a point of order.

Mr. Guay (St. Boniface): Mr. Chairman, possibly my question may be easier for the hon. member to answer. I should like to ask why his party now accepts the suspension of the right to strike for railway workers. Is this a new policy of the NDP?

• (0110)

Mr. Neale (Vancouver East): Mr. Chairman, there is another question that requires an answer. We have not said we agree with lifting the right to strike. We have not yet voted on this bill.

The Assistant Deputy Chairman: Is the committee ready for the question?

Amendment negatived: Yeas, 26; nays, 153.

Clause 9 agreed to.

On Clause 10—*Railway companies and unions to negotiate.*

Mr. Alkenbrack: Mr. Chairman, I rise to put a protest on record. During this debate it has been pointed out more than once by members from all parties that the non-operatives now on strike are receiving no strike pay. This is a ridiculous situation. Throughout their years of service to the railways, these men have paid their union dues. For the most part this money has gone to the United States. They are receiving no remuneration from these American based International unions.

Some time ago in this House I protested the fact that certain steel workers in my constituency were sending

their money to the United States, to their detriment, when the unions could have been saving these funds in Canada for the use of Canadians.

Some hon. Members: Hear, hear!

Mr. Alkenbrack: I see that my point is understood by the committee. I protest the fact that these 56,000 non-ops are receiving no strike pay. They should be. I want to point out the injustice being perpetrated on these men by their international unions. They should at least be receiving a small pittance to sustain them during this time when they are not receiving any wages.

Clause agreed to.

Clause 11 agreed to.

On Clause 12—*Railway services to be resumed.*

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, this is another clause on which we have given notice to amend. However, we believe the subject matter of our amendment will be covered by the proposed amendment to clause 14. Therefore, it will not be necessary to delay the committee with regard to clause 12.

Clause agreed to.

On Clause 13—*Terms of collective agreements amended.*

Mr. Rowland: Mr. Chairman, this is not going to be a long speech.

Some hon. Members: Hear, hear!

Mr. Rowland: It is not going to be a very happy speech either. I am sick at heart over what is happening here tonight.

Some hon. Members: Oh, oh!

Mr. Rowland: Since the admission by the first speaker on the government side this morning, this House has been abandoning any consideration of justice in the wage settlement to be given to these workers when sending them back to work. I am sick at hearing that.

The Minister of Transport said we are incapable of determining the justice of this question. I am not going to argue that because it has been done over and over again. There is no sense to that argument. The facts and figures are there for anyone who cares to look at them.

Let us look at the argument put forward by the government. Let us take it in their terms. First, they told us it was not our business to decide whether the settlement is fair or just, but we must concern ourselves with what we can best do to see that the procedures of collective bargaining function in the railway industry once again. That is what they told us it was our business to do. The job we are here to do is to see that the process of collective bargaining once again begins to operate in the railway negotiations.

The process has broken down because, as was said, on the two previous occasions in the past 23 years when the railway workers went on strike and parliament sent them back to work, the railway companies counted on parliament to send them back to work. It is accepted by members on all sides of this House that the railway companies did not bargain in good faith. If we want to make the collective bargaining procedures work once again, we must do it in a way that will give the workers a settlement that will make the railway companies afraid to have parliament again bargain in this way. And that is our job, to make collective bargaining work, and that is the way to do it, not to impose on the workers a half-baked settlement.

● (0120)

The second argument is that we cannot make a judgment respecting the justice of the case put forward either by the railroads or by the unions. That is a questionable assertion, but let us accept it for the moment. The Minister of Transport told us we are here to end a rail strike, to get people back to work.

Some hon. Members: Yes!

Mr. Rowland: How does he expect us to get people back to work with wage provisions which are totally unacceptable to the workers? Unless the bill sets out terms which are sufficiently acceptable to the workers we shall settle no crisis. All we are doing is perpetuating one.

The productivity of the railroads has increased and I think it is only fair that the workers should get a share of the benefits of this increase. After all, they have contributed to it. If it had not been for them there would have been no increase in productivity.

The settlement imposed upon the operating trades by clause 13 gives them about .2 per cent of that increase in productivity. That is the amount which will go to yardmen who are on two-hour call 24 hours a day, men who work under difficult conditions and who are subject to accidents of the bloodiest kind, men whose family lives are ruined as a result of the terms upon which they are employed.

This settlement is imposed on conductors and brakemen who work on trains which have greatly increased in size and which travel at ever greater speeds. They work on trains which now carry exotic chemicals, new products of every kind. This traffic requires increased knowledge on the part of conductors and brakemen. They have managed to grasp this knowledge and keep the railroads running, thus contributing to increased productivity.

Moreover, they have run these faster trains over railbeds which are inadequate by any standards, and they have done so with good safety records. What are we giving them in return? About .2 per cent of a share in the rewards of increased productivity.

I said I intended to be brief, and I will finish on this note. But I am sick at heart that the House could do this to a group of men. I cannot comprehend how we could do it. I intend to move an amendment. I know what the result will be, but I shall put it anyway because I think it should at least be heard.

The Assistant Deputy Chairman: Does the hon. member for Ottawa West rise on a point of order?

Mr. Reilly: Yes, I do, Mr. Chairman. After the hon. member for Verdun, the Minister of Transport and other members on the government side have spoken so eloquently and, I believe, with deep understanding and conviction

about the problem we are facing, I cannot imagine why the hon. member for Selkirk cannot get the attention of the Committee and the courtesy of those present.

Mr. Rowland: I thank the hon. member for Ottawa West for his intervention on my behalf. It is very kind of him. However, it is fairly obvious that it is difficult to get the attention of the Committee at 1.30 in the morning after we have gone through such a process as this. I certainly cannot fault my colleagues, but I had something I wanted to say. I am sick at heart. With full knowledge of what is going to happen to it, I am moving the following amendment.

That subclause (1) of clause 9 of Bill C-217 be deleted and the following substituted therefor:

(1) The terms and conditions of each collective agreement to which this Part applies are amended forthwith by increasing each hourly basic rate of wages in effect on December 31, 1972, as established by or pursuant to such an agreement, by ten and eight-tenths per cent effective January 1, 1973, and by increasing each hourly basic rate of wages in effect on December 31, 1973, as established by or pursuant to such agreement and pursuant to this part, by ten and eight-tenths per cent effective January 1, 1974.

Some hon. Members: Question!

Mr. Gleave: I know the hour is early, Mr. Chairman, but the Committee decided some hours ago to complete consideration of the question this day. The Committee at that time was fully aware of the nature of the decision the Committee would be required to make, and to interrupt an hon. member who has the floor, and interject with catcalls when he seeks to propose an amendment and put his case is not only rude, not only disorderly, but ill-advised.

It just so happens that there are a large number of people in my constituency who run trains. Somebody, at some time, should talk to some of these people. My hon. friend made the point that there is no comparison between railway productivity now and productivity some years ago. Just look at the number of units which are hooked on to these diesels that head west across Alberta, through the canyon and into British Columbia. I have talked to these men and they tell me that such is the length of freight trains today that sometimes they cannot see how to switch them through a siding and know they are safely operating those trains. We should be concerned to see that the railroads are giving consideration to the safety of these men and ensuring that they are adequately paid.

• (0130)

We should be concerned about making sure that the railway companies for which they are working are giving consideration to the safety of these men, and to seeing that they are adequately paid. We must remember that they are subject to call at all hours of the night and day. They do not have a comfortable job which starts at 8.30 or 9.00 in the morning and ends at five o'clock at night. With the job that these men are doing there is not the regular family life that so many of us take for granted. I think this should be taken into consideration by members of this committee. I support the plea and the proposal of my colleague.

The Assistant Deputy Chairman: Is the House ready for the question?

Some hon. Members: Question.

[Mr. Reilly.]

The Assistant Deputy Chairman: All those in favour will please rise.

Amendment (Mr. Rowland) negatived: Yeas 21, nays 155.

The Assistant Deputy Chairman: I declare the amendment lost.

Clause 13 agreed to.

On Clause 14—*Railway companies and unions to negotiate.*

Mr. Howard: I was not rising to speak, Mr. Chairman. I just thought you were rushing a bit and I wanted to give the Minister of Labour a chance to speak.

Mr. Munro (Hamilton East): Mr. Speaker, I have an amendment I should like to have moved to Clause 14, which is as follows:

That Bill C-217 be amended by adding thereto, immediately after the heading "GENERAL" on page 10, the following heading and section:

"Layoffs

14.1 Forthwith upon the coming into force of this Act,

(a) every railway company to which any Part of this Act applies shall call back to work every employee of the railway company who has been on strike or has been laid off as a consequence of any strike that has ceased to be valid by reason of the coming into force of this Act; and

(b) no such employee shall be laid off or again be laid off by any such railway company as a consequence of any such strike."

Mr. Lambert (Edmonton West): What about employees returning to work, what guarantee have you in that regard?

The Assistant Deputy Chairman: Order, please. The committee has heard the amendment.

Mr. MacEachen: Mr. Chairman, I should like to move that amendment.

Mr. Lambert (Edmonton West): Let us be in order.

The Assistant Deputy Chairman: Shall the amendment carry?

Some hon. Members: Carried.

Amendment (Mr. MacEachen) agreed to.

The Assistant Deputy Chairman: Shall Clause 14 as amended carry?

Some hon. Members: Carried.

Clause 14 as amended agreed to.

The Assistant Deputy Chairman: Perhaps we might have order, please. I know the hour is late and there seem to be too many children around right now, but I would ask for order.

On Clause 15—*Appointment of mediator.*

Mr. Alexander: Mr. Chairman, I would like to make one or two remarks in respect of this clause dealing with the

appointment of a mediator. I notice that in this particular clause dealing with non-operators, shopcraft employees and operators that there is specific reference to the fact that the railways and the unions shall forthwith enter into negotiations and do so in good faith. I think we all hope that the parties will do just that by making full disclosure and, hopefully, not make unreasonable demands.

It was earlier pointed out by the Minister of Labour how important the role of the mediator could, should and will be, as well as that of the arbitrator. What is most significant is the fact that Clause 15 does not refer to a time limit in respect of the appointment of a mediator. This gives us some concern as we heard on several occasions yesterday afternoon, yesterday evening and this morning that there has been a lack of good faith and that some parties have attempted to stall, thereby defeating the purpose of that phrase "good faith" in respect of collective bargaining.

We feel that the time could possibly arrive when the Minister of Labour will have to move quickly. In this regard I would point out that Clause 15 states that:

> The Minister of Labour may, upon the coming into force of this Act, appoint a mediator to mediate the matters in dispute—

In order to give some definite proposal regarding time we would suggest that within 60 days after the coming into force of this act the minister must, if the parties have not reached an agreement, appoint a mediator to look into the matter. Without carrying on further, and I think the principle I am trying to put forward is self-explanatory, I move, seconded by the hon. member for Peace River:

> That Clause 15 of Bill C-217 be amended by inserting in subclauses (1), (2) and (3) thereof, immediately after the word "Act" where the same respectively appears in each such subclause, the words,
>
> "and shall in any event upon the expiration of the sixtieth day thereafter".

(0140)

The Assistant Deputy Chairman: Is the committee ready for the question on the amendment?

Mr. Lewis: Mr. Chairman, I know the hon. member for Hamilton West moves this amendment with the best intentions, but I should like to suggest to him that it is not a useful amendment. Perhaps he ought to reconsider it. Certainly we cannot support it. What the amendment means is that the minister would be obliged to appoint a mediator immediately. Obviously what the bill now implies is that the minister may decide not to appoint a mediator and go to arbitration immediately. I think it would be meaningless to go through another process.

I am sure the hon. member for Hamilton West knows, as I do, that one of the most aggravating things to the employees in a dispute situation is the continuing delays which take place in going from one procedure to another. These particular employees, the non-ops, the shopcraft and the operating employees involved in this bill have been through many months of negotiation and conciliation.

In the case of the non-operating employees there have been three or four mediators. Therefore it really would be a total waste of time merely to cause some further delays to a final settlement of the dispute if the law forced the minister to appoint a mediator whether or not he considers such an appointment is useful. I suggest to the hon. member that if he looks at the amendment—I am sure I have read it correctly—he will see that the step he is proposing may be an unnecessary step that would merely delay the final settlement of the dispute, and result in further bitterness and frustration on the part of the people involved. I hope he would withdraw it.

Hon. members know that my colleagues and I do not like the whole scheme, but if it is to be there I hope the minister will take no step that has no chance of being useful. In most cases he will go directly to the arbitrator and therefore get a resolution of the dispute as quickly as possible. For that reason we cannot support the amendment, and I think perhaps if the hon. member looks at the amendment he will see that the suggestions I have made may have some validity.

Mr. Munro (Hamilton East): Mr. Chairman, my point would be exactly that made by the hon. member for York South. I do not think it was the intention of the hon. member for Hamilton West to inject a further period that would cause delay in having a final determination made. The legal interpretation of his amendment is that it would be precisely that.

Mr. Alexander: Mr. Chairman, possibly the only reason I intervened by way of this amendment was to give some assurance that this House is concerned about the possibility of footlagging when it comes time to negotiate. Unfortunately the clause in respect of the mediator is there. It must be there for some particular purpose. I have the greatest respect for my friend, the Leader of the New Democratic Party, but he seems to be saying that notwithstanding the fact that we have this clause we should go to clause 16 which deals with the arbitrator. If that is the case I think that is wrong in principle because we have clause 15 which gives the minister the right to appoint a mediator. However, in view of the lateness of the hour and in light of the fact that I know the position of the NDP, and also of the government, I would ask for unanimous consent to withdraw the very significant amendment I have placed before the committee.

The Deputy Chairman: Order, please. Does the committee give unanimous consent to the hon. member to withdraw his amendment?

Some hon. Members: Agreed.

Amendment (Mr. Alexander) withdrawn.

Clause 15 agreed to.

On Clause 16—*Appointment of arbitrator.*

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I simply want to remind the minister that he has an amendment to clause 16. I have one also, but the minister sent me a notice of one he has.

Mr. Blenkarn: Mr. Chairman, the whole problem that has been bedevilling labour negotiations in connection with this particular dispute and leading up to it has been the increase in the rate of inflation. This has probably resulted in the efforts of Mr. Justice Craig Munroe's intentional attempt to try to give a fair settlement. However, the problem has been that that settlement talked about a 5½ per cent or perhaps a 5.45 per cent rate of inflation.

We all know, just by talking to our wives, by going to the grocery store or by reading the paper, that every day the price of groceries, bacon, ground mincemeat for hamburger and macaroni, goes up. So what happens is that members of the union are unable to accept what three or four months ago they would have been delighted to accept. It is in that light that I move, seconded by the hon. member for York Simcoe:

That subclause 16(3) of Bill C-217 be amended by adding the following subparagraph:

and shall in respect of wages specifically provide for the adjustment of wages to any increase or increases in the cost of living where the arbitrator is satisfied that such adjustment has not been previously or adequately provided.

The minister has said that the arbitrator, if appointed, will as a matter of course look at the rate of inflation and look at the escalating cost of living. We are saying here to the arbitrator that he must look at the cost of living and the rate of inflation in making an award. We must remember that the 34 cents we have now agreed on for the first year and the 6½ per cent for the second year, and so on, were based on the assumption that there will be some inflation.

● (0150)

But how much inflation? The arbitrator must make an award and he must look at the last couple of months. I am sure that the arbitrator will want to look at the inflation figures that may come out in a week or so from now with respect to the cost of living index in August. Perhaps those figures will reflect the 6 cents increase on a loaf of bread and the 3 cents increase on a quart of milk. What we say is that you cannot expect men to take home in real terms less than they used to under previous collective agreements.

Some hon. Members: Hear, hear!

Mr. Blenkarn: I hope that the committee will accept this amendment unanimously.

The Deputy Chairman: The committee has heard the amendment of the hon. member for Peel South. Is there agreement?

[*Translation*]

Mr. Fortin: Mr. Chairman, we followed with interest the proposal that has just been made; we support that motion because it takes into account the cost of living, an extremely important factor. It is the basic reason for the present conflict, as it is for most if not all present labour grievances in Canada.

Mr. Chairman, I have but one most important observation to make in this connection: we will support this proposal objectively, but I wonder, once again, why the Progressive Conservatives voted against a similar motion a while ago.

[*English*]

Mr. Munro (Hamilton East): Mr. Chairman, so far as the intent of the amendment is concerned we have no basic objection. The only question I have is whether the hon. member might not want to reflect for a moment and consider whether it might not be appropriate to submit this amendment to clause 16 (2) where it can be embodied as a special direction to the arbitrator to take into account the cost of living as suggested in the wording of the amendment.

Mr. Blenkarn: The problem is that subclause (2) reads that "the governor in council may, by order". We are saying that he shall take into account inflation and analyse the figures. Where the arbitrator is of the opinion that the 34 cents, the 6½ per cent and the 1½ per cent do not properly take into account inflation, he will take into account inflation when he is making the award. We analysed this pretty carefully and felt that the best place in which to put it was in subclause (6), which says that no award or decision of the arbitrator shall provide for a reduction in any wage rate established by this act. We want to go further and say that no award of the arbitrator shall ignore the fact that purchasing power has changed.

Mr. Munro (Hamilton East): Mr. Chairman, I think I can now be more specific. Under subclause (3) we are now prepared to move an amendment. We have given to the opposition parties some samples of amendments with reference to other matters, one of them being job security which will be a special reference to the arbitrator under subclause (3) of clause 16. I suggest that taking the cost of living index into account can also be a special direction to the arbitrator if he is satisfied that it has not been otherwise taken care of. So I suggest an amendment to subclause (3) which will read that an "arbitrator appointed under this section shall"—and then we can carry on with the wording of the special direction embodied in the hon. member's motion.

I wonder whether the matter could stand for now, and we could come back later to this clause.

Mr. Blenkarn: If the minister has an amendment that will embody this direction, that will be satisfactory to me. We are prepared to accept the drafting of the minister.

The Deputy Chairman: Is the committee agreed that we stand the amendment moved by the hon. member for Peel South?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, is it not now possible for the minister or for some other minister to move the proposed amendment to clause 16? I could send him my copy of it, if he has lost his.

Mr. Lang: Mr. Chairman, I will be pleased to move the following amendment:

That Bill C-217 be amended by striking out lines 14 to 17 on page 12 and substituting the following:

"section (1),

(a) shall closely examine the job security demands of the union and fully explore the feasibility of a job security plan based on the principle of attrition;

(b) shall not alter or amend any existing work rules or practices in a manner that could have an adverse effect on rates of pay, earnings or employment opportunities; and

(c) shall, for the purpose of the arbitration, have all the powers conferred on a conciliation board under section 175 of the Canada Labour Code".

The Deputy Chairman: Order, please. The committee has heard the amendment proposed by the Minister of Justice.

● (0200)

Mr. Lawrence: On a point of order; Mr. Chairman, some of us on this side of the House thought that the minister in his amendment would include some reference to the cost of living. The amendment does not do so.

The Deputy Chairman: There is nothing preventing hon. members from moving an amendment afterwards. The minister has now moved his own amendment.

Mr. Reid: It will be added as a subamendment.

Mr. Blenkarn: Do I take it that it is necessary to amend the minister's amendment?

Mr. Reid: That is right.

Mr. Orlikow: On a point of order, Mr. Chairman, I do not want to interrupt the hon. member for Peel South but wish to spend a few moments in commenting on the amendment moved. The fact that the minister had to bring in this amendment is clear proof of the point we have tried to make throughout this debate. There has not been, on the part of railway management, any desire or intention to engage in real, meaningful bargaining. I am not surprised at the great differences of opinion between the companies concerned and their employees with regard to sections of the agreement to do with wage rates. Any company tries to maximize profits and does so by trying to keep its labour costs as low as possible. On the other hand, the employees of any company try to get as much by way of wages and fringe benefits as possible. That there may be differences of opinion in these areas is not surprising.

There have been differences of opinion between the companies and their employees for many years over job security and the employees have had a good deal of experience in trying to deal with this question. Some years ago they negotiated an agreement calling for a job security fund. Money was put into that fund at the rate of one cent per hour per employee. That money has virtually never been used because the terms of that agreement were so restrictive that the companies would not, or could not, use it.

In the current negotiations the unions were prepared to make an important concession in order to introduce a section in the agreement which would protect the rights of their members. They were prepared to give up any craft or job description and, if the company would agree to guarantee the jobs of employees who had two or more years of employment, they were prepared to say that the company could direct any employee laid off as a result of automation, or for any other reason, to any other job and if the employee so adversely affected refused to take the job to which he was directed, he could be laid off without protest by the union.

The evidence submitted by the union and the conciliation board showed conclusively that that agreement would not have cost the companies one cent. Despite that, the companies did not show the slightest intention to reach any agreement in this area. Is it any wonder that railway employees are angry and suspicious, and that members of parliament are getting calls from their railway union constituents who tell them that no matter what parliament passes by way of legislation, they will not go back to work? I am not saying they are right. I am not urging them to disobey this law any more than I would urge any citizen to disobey any law, whether I agree with the law or not: for the law should be obeyed. Yet railway employees feel this way these days, to a large extent because, as the companies have become used to saying no, they have continued to say no even though such agreement will not cost them one cent.

What are the facts? I touched on them briefly last night. The work force of the non-operating employees has been reduced by more than one-third in the last 20 years. Productivity has increased greatly; it has increased in the railway industry probably more than in any other industry in the country. The age of employees working for the railways is such that in the case of the CNR the normal rate of attrition is about 18 per cent per year, while the attribution in railway employment is less than 3 per cent per year.

It is obvious that normal attrition can adequately take care of the expected reduction in the numbers of non-operating railway employees, especially in light of the seniority of the present employees. Despite 16 per cent of CNR employees now being over 55 years of age and almost one-third of CNR employees having less than four years of employment with the company, the company simply refuses to deal with the recommendations and with the suggestions made by its employees and their unions. It refuses to take seriously the proposals made by Professor Weldon to the conciliation board, that all employees of four years or more seniority should be guaranteed employment with the railway regardless of the fact that their particular jobs might be eliminated by reason of automation or other reasons. In the circumstances, it is not surprising that the employees are angry. It is sad indeed that we need to deal, by way of legislation, with a problem which should have been freely and willingly resolved between the companies and the employees, as this would not have cost the companies any money at all.

We have looked at the amendment the minister has proposed and it seems to go a substantial way toward meeting the objections which the railway unions put forward about the question of job security being left in the conciliation board report as outlined by the chairman and not being included in the bill as originally proposed by the government. The minister's amendment goes a substantial way to meeting the objections of the railway unions and the employees they represent, and for that reason I will not move the amendment to which I referred earlier.

Mr. Lawrence: Mr. Chairman, as you know, the hon. member for Peel South indicated that he had a further amendment to move to this particular clause. I think he is ready with it now.

● (0210)

Mr. Reid: Mr. Chairman, on that same point I think before the subamendment can be approved the motion would have to be accepted, and then the hon. member for Peel South could move his amendment.

Mr. Deputy Chairman: The question is now before the House as an amendment, and nothing prevents the hon. member from moving a subamendment or an amendment to the motion to amend.

Mr. Blenkarn: Mr. Chairman, I have had some discussions with people on the other side of the House with respect to the drafting and the placement of the clause I suggested within the context of the statute. As we are aware, the minister has produced a new subclause 3 with a part (a), a part (b) and a part (c). I would therefore ask this House for unanimous consent to withdraw the amendment that I previously placed and to make a further amendment. I suppose the best way is first to withdraw what I have proposed and then place another amendment.

With the unanimous consent of the House I would ask leave to withdraw the amendment previously placed to subclause (6) on page 13 of the bill so that I may introduce a further amendment to the minister's amendment.

The Deputy Chairman: Does the committee give unanimous consent to the hon. member for Peel South to withdraw his previous amendment to subclause (6) of clause 16 on page 13 of the bill?

Some hon. Members: Agreed.

Amendment (Mr. Blenkarn) withdrawn.

Mr. Blenkarn: I therefore move that subclause 16(3) of bill C-217 be amended by adding a new subparagraph (d) as follows:

shall in respect of wages, specifically provide for the adjustment of wages to any increase or increases in the cost of living where the arbitrator is satisfied that such adjustment has not been previously or adequately provided.

The Deputy Chairman: Order, please. I am sure the hon. member would not have any objection if the Chair makes a necessary correction to put the amendment in the proper form. I think it should read as an amendment to the motion moved by Mr. Lang to clause 16(3) by adding subparagraph (d) which reads as follows:

shall in respect of wages, specifically provide for the adjustment of wages to any increase or increases in the cost of living where the arbitrator is satisfied that such adjustment has not been previously or adequately provided.

Shall the amendment carry?

Some hon. Members: Carried.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise on a point of order just to protect my position. I wish to move an amendment to subparagraph (b) of this amendment now before us. I would prefer to do it after we have disposed of the new subparagraph (d), but I just do not want to have thrown at me a rule to the effect that I had to do it in order.

Perhaps I might elaborate on my point, Mr. Chairman. There is a rule in the book somewhere which says that subparagraphs have to be taken seriatim. I just want still to be able to deal with (b) after (d).

The Deputy Chairman: Order, please. I assure the hon. member that he will be entitled to move his amendment to the new subparagraph that will automatically, by the decision, be added to subclause (3) of clause 16.

[Mr. Reid.]

Mr. Howard: Mr. Chairman, I tried to get this thought across earlier before the hon. member for Peel South moved his subamendment which raised a question in my mind. I thought that if he regarded my point as valid he might have been able to incorporate it in his amendment.

Apart from the fact that in substance this is what we attempted to do unsuccessfully earlier this evening, and apart from the fact that there is some uncertainty about what emphasis an arbitrator may place on the cost of living and so on, there is another question which comes to mind.

I wonder whether the amendment is limiting in its impact? In other words, I wonder whether the language of the subamendment proposed by the hon. member for Peel South might preclude the arbitrator from taking into account such questions as an increase in productivity that may be reflected in the wage structure as well.

Perhaps the subamendment moved by the hon. member for Peel South would be more broad and definite in its application if it were to include some phraseology to make sure that the arbitrator is not going to look at this in a narrow sense, and conclude from it that because it talks about "specifically provide for" increases etc. he need not feel bound by the law to proceed to tie it to such matters as productivity. I know that it comes down to a question of interpretation and I know that it is not the intent of the hon. member for Peel South that it be limiting but that it be broad in scope. I wonder whether the inclusion of some such phraseology would help. After the subamendment is dealt with, I may be able to say whether that sort of language might be incorporated in some way to ensure that no room for doubt exists in the authority.

● (0220)

Mr. Blenkarn: Mr. Chairman, there is clearly no room for doubt. The clause is framed the way it is because the award set out in clause 5 indicates that the figure set out there is partly for inflation, partly for increased productivity, and partly for something the people making the award were concerned with, namely, what is called catch-up.

In this particular clause we are concerned strictly with inflation. We have galloping inflation. This government seems incapable of controlling inflation. It does not want to control it. We are concerned about protecting these men against that. The arbitrator is required to ensure that, in making the award, the cost of living is taken into account, if this has not already been done, and to make variations to cover the cost of living.

Mr. Howard: If I can put it gently, that is misinterpreting clause 5. Clause 5 makes a simple declaration about which wage increase shall apply on an absolute basis one year and on a percentage basis the next. It does not talk about catch-up or any other factors. I can understand the hon. member for Peel South in his jealousy to guard himself, in that he voted against the cost of living concept earlier when it was clearly put to the committee on an absolute basis of equality, but he does not have to misinterpret the whole position in order to justify his case.

The Deputy Chairman: Is the committee ready for the question on the amendment moved by the hon. member for Peel South?

Some hon. Members: Question.

Amendment (Mr. Blenkarn) agreed to.

The Deputy Chairman: The committee will now consider the main motion moved by the Minister of Justice to amend subclause (3).

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, earlier today I gave notice of intention to move an amendment to subclause (2) of clause 16, the effect of which was to deny the right to refer work rules to an arbitrator. The minister in considering that proposed amendment, a copy of which was sent to him, sought to deal with the matter of the amendment which is now before us in the name of the Minister of Justice. This is dealt with in subparagraph (b), the reference being to an arbitrator, which reads:

shall not alter or amend any existing work rules or practices in a manner that could have an adverse effect on rates of pay, earnings or employment opportunities; and

I appreciate the action of the Minister of Labour in considering my proposal and in presenting his wording of the idea. However, I submit he has restricted it by the qualifying words in the latter part of subparagraph (b).

I suspect that many members are aware of the main issue involved at this point. The issue is one raised by members of the UTU with particular respect to the consist of freight trains. This was discussed earlier today. At the present time, the crew consist is made up of the engineer and brakeman up front and conductor and brakeman in the caboose.

There is a move on by the railway management to get rid of the brakeman in the caboose, in other words to reduce the consist of freight trains to three individuals. The UTU feels very strongly that this is a change which must not be made. Their fear is that if the arbitrator is free to change some of the work rules and practices, this is one that might be changed.

I know there are other rule changes the UTU would like to achieve, but they would prefer to achieve those by the process of negotiation. They would rather not win some of the changes they want to win and run the risk of losing their position with regard to the crew consist by virtue of that matter being one that could be referred to the arbitrator. As a matter of fact, the members of the UTU, the trainmen on the trains do not feel that the kind of arbitrator who will be called in to do the job set up under this bill will be qualified to deal with such a matter as work rules.

I feel very strongly that the intent of my earlier amendment should be observed and that the minister in subparagraph (b) should stop after the word "practices". Therefore, I move:

That the amendment be amended by deleting subparagraph (b) therefrom, and by substituting therefor the following words:

(b) shall not alter or amend any existing work rules or practices; and

It will be seen that this is a technical way of putting the amendment so that it will be clear. The effect is to remove those dangerously qualifying words in the minister's proposed amendment. I hope the committee, realizing that members of all parties have had representations made to them on this point by those on the running trains, will agree to accept this subamendment to the minister's amendment.

Mr. Munro (Hamilton East): Mr. Chairman, I wish to indicate to the hon. member that in the drafting of the amendment, I tried to cope in the best way possible. That is why the wording is in this manner. I think it is a clear signal to the arbitrator that we are concerned about the consist. We are concerned about this fourth man, the brakeman, about whom the hon. member spoke. However, it does not give him a specific direction. In each instance these are items that are in dispute. It does not identify it exclusively, but it does signal to him the concern of parliament. I feel that is preferable.

If we are now going to start to negotiate on the floor, and put certain things the arbitrator can deal with and certain things he cannot, and if management starts to make representations whereby they would like to take a few things out of the hands of the arbitrator which the union would like to have him deal with, we are into this whole business again. For that reason I hope the hon. member for Winnipeg North Centre will see the artistry we think is contained in the words in subparagraph (b).

• (0230)

Mr. Lewis: The minister has added certain qualifying words. I am not suggesting that my hon. friend should seek permission to withdraw his amendment; he himself will have to decide that. However, I should like to ask the minister whether he would agree to include the words "or safety" as an additional protection. Thus, if the committee does not accept my hon. friend's amendment the paragraph would read:

—alter or amend any existing work rules or practices in a manner which could have an adverse effect on rates of pay, earnings, employment opportunities or safety.

Mr. Munro (Hamilton East): I do not see any objection, since we have already added some qualifying words, to adding the words "or safety".

Mr. Knowles (Winnipeg North Centre): If the minister is willing to do that, I will be prepared to withdraw the amendment I have proposed. Either the minister or I could move that we simply add to the minister's motion, at the appropriate place, the words "or safety".

Mr. Munro (Hamilton East): Agreed.

The Deputy Chairman: Order. The hon. member for Winnipeg North Centre is seeking unanimous consent to withdraw his amendment. Is this agreed?

Some hon. Members: Agreed.

The Deputy Chairman: Since there seems to be a consensus, perhaps by unanimous agreement we could add the words "or safety" after the words "employment opportunities". Is this agreed?

Some hon. Members: Agreed.

The Deputy Chairman: Shall the clause, as amended, carry?

Some hon. Members: Agreed.

Mr. Andre: Mr. Chairman, I rise for the purpose of introducing an amendment to this clause, one which we believe will substantially improve the bill.

Yesterday and today, but especially today, we heard a good deal of rhetoric, some of it inspiring, much of it repetitious. It has been said repeatedly, both inside and outside the House, that the process called for by the bill, namely the process of continued conciliation, mediation and, if necessary, arbitration, is a charade; that it will not in fact result in a just settlement. This is a cause for concern. I do not believe this myself, and I sincerely hope it is not true. Nevertheless, our purpose in introducing this amendment is to provide further protection for the employees so that should this process not result in a settlement which will allow the railroads to continue operating, if, in fact, dissatisfaction were to reach such a stage, ten members of parliament could bring this question back before the House for disposition.

A similar provision was included in the 1966 legislation. I should like to point out—and I hope this will be acknowledged by the unions—that we are proposing a realistic safety measure. It is not a gimmick. We are not talking about 40 Members of Parliament, but about ten. I would therefore move:

That Bill C-217 be amended by inserting therein, immediately following subclause 16(6), the following:

"(7) A copy of any decision by an arbitrator appointed under subsection (1) shall be laid before the House of Commons not later than five days after the day the decision is made or, if that House is not then sitting, within the first five days next thereafter that the House of Commons is sitting.

(8) Where, within five days after a copy of a decision by an arbitrator is so laid before the House of Commons, a motion for the consideration of the House of Commons, signed by not less than ten members of the House, is filed with the Speaker to the effect that the decision be revoked or amended, the House of Commons shall, within the first fifteen days next after the motion is filed that the House is sitting, in accordance with the Rules of the House, take up and consider the motion, and if the motion, with or without amendments, is approved by the House, the decision of the arbitrator shall be revoked or amended in accordance with the terms of the motion as so approved and the collective agreement to which the decision of the arbitrator had applied shall be so amended.

(9) All questions in connection with any motion taken up and considered by the House of Commons pursuant to subsection (8) shall be debated without interruption and decided not later than the end of the third sitting day next after the day the motion is first so taken up and considered".

● (0240)

Mr. Broadbent: Mr. Chairman, it would be charitable to assume that this amendment proposed by the Conservative party is in the form we see because of the fact it is 20 minutes to three in the morning. However, I am not in a charitable mood at this time of the morning and I find it completely ludicrous that a member of that party, whose members argued earlier during this debate that parliament should not involve itself in the resolution of conflicts on a continuing basis but only in circumstances involving some kind of an emergency, should now make this kind of a proposal. What is its logic?

[The Deputy Chairman.]

I suggest the logic of the amendment is that if any 10 members of the House find an objection to any decision made by the arbitrator, parliament once again will be involved in a debate on the issue at hand. Surely if that party to my right wants to be consistent with its leader's statement, who suggested we should keep parliament out of these disputes, it would not present this amendment. However, this is fully consistent with that party's totally inconsistent behaviour during this debate, so I am not surprised.

An hon. Member: Don't get nasty.

Mr. Broadbent: I think the amendment should be rejected outright. I am not going to prolong the debate by saying anything other than that the Conservative party has not only committed illogical inconsistencies but, beyond that, has misinterpreted what was done in 1966. If hon. members of that party would get the Statutes of Canada for 1966-67 and look at page 5 of Section 11 they will find there is no such precedent for the kind of proposal they have now placed before the House. In fact the proposal in that section refers to restrictions exclusively in respect of regulations, which is a completely different proposal from the one before us, and I urge that this committee reject it.

Mr. Mackasey: Mr. Chairman, unlike the hon. member for Oshawa-Whitby, I do my best at a quarter to three in the morning. I do agree with what he has said. I think the hon. gentleman did advance this proposal in good faith but has probably missed the point. In 1966 the proposal had reference to 10 members, but the review of the work of the arbitrator was very limited in scope, in fact limited to the terms of reference to the arbitrator. The proposal by this member would involve a complete review of the decision of the arbitrator. That in turn would mean a periodic review, and this could go on and on, forever and ever and ever. I would urge the hon. member to withdraw his motion.

I have nothing further to say, but I hope the employers of the railway employees who are in the galleries will realize that a negotiated settlement a week ago would have been a lot less expensive than what they will have to pay as a result of the amendments that have now been adopted.

Mr. Andre: Mr. Chairman, the simple purpose of this motion was to enable members of the NDP to assure the unions that there was a safety valve. In view of the fact that the government and the NDP will obviously not support it, I would ask for unanimous consent to withdraw the amendment.

The Assistant Deputy Chairman: Is it agreed?

Some hon. Members: Agreed.

Some hon. Members: No.

The Assistant Deputy Chairman: I must remind hon. members that the hon. member requires the unanimous consent of the committee. Does the committee agree?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Howard is expediting things again.

The Assistant Deputy Chairman: I know that hon. members are tired and it is hard for anyone to be attentive.

[*Translation*]

—as much attention as possible, but it is clear to the Chair that someone is opposed and does not want unanimous consent.

[*English*]

For the third time I will ask whether the committee gives unanimous consent to the request by the hon. member to withdraw the amendment?

Some hon. Members: Agreed.

Mr. Howard: Mr. Chairman, because there seems to be some doubt I would ask you to put the question. In other words, I do not give my consent.

An hon. Member: Don't ask us for consent again.

The Assistant Deputy Chairman: Those in favour of the motion will please rise.

Amendment (Mr. Andre) negatived: Yeas nil, nays 126.

The Assistant Deputy Chairman: I declare the motion lost.

Clause 16 as amended agreed to.

Clause 17 agreed to.

Schedules A, B, C and D agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Munro (Hamilton East) thereupon moved that the bill be read the third time and do pass.

• (0250)

Mr. David Lewis (York South): Mr. Speaker, I should, I suppose, at this hour ask the indulgence of the House.

An hon. Member: Be humble.

Mr. Lewis: Mr. Speaker, I want to say a few words very seriously. As we have indicated, my colleagues and I are disappointed that the bill which has now been carried in committee and which will, of course, with the support of the other three parties in this House, be carried into law, is a great deal less just to the people concerned than it ought to have been. Therefore we will, in line with the position we have taken throughout, vote against the bill.

I said at the very beginning of this exercise that my colleagues and I were as aware as anyone else of the hardships which the present emergency has created for many sections of Canada and of the need at some time like the present for parliament to act to remove the cause of those hardships. But I repeat what I have said—repetition in this House is not unusual—that precisely because parliament found it necessary to take rights away from Canadians that the law gives them to stop people from striking when they are on strike, to prevent them from going out on strike which they have a right to do by law, such as the employees in the shopcrafts and running trades, when parliament takes on that responsibility it has a duty to be fair and just to the people whose rights it takes away.

Mr. Lambert (Edmonton West): How about the little people who get hurt?

Mr. Lewis: I suggest that the bill which is now to be given third reading is not fair and just to the people who are being penalized by it. None the less, it is a mark of our democratic process and of this parliamentary process that the bill has been improved. I know that in one respect the members on the government benches are unhappy with the change from 30 cents to 34 cents, and so on; but in many other respects, as a result of the recommendations made by members of the opposition parties, by members of the Conservative party and members of my party, other clauses in the bill have provided greater security for the employees involved in the strike and who were laid off. I have watched on television, I have listened on the radio, and I have seen exhibited in the confines of parliament the bitterness and frustration of the people involved in the strike which this bill seeks to end. I heard them on radio, on television and in person yesterday chant that they will not go back.

Many times in this House, many of us have been in a minority on a given subject. We have lost the fight—not only my colleagues and myself but other members of this House. We have lost a cause for which we have fought and which we have considered to be of immense importance to us, to our ideals, to Canada and to its people. But we have learned to accept the result, the democratic result, the decision of this parliament.

I can appreciate the frustration and the anger of those who are being affected by this law and who are to be ordered to go back to work under conditions not fully acceptable to them. But what they do will be their decision. I want to emphasize that in our view, and I know in the view of every member of this House, all Canadians have to accept the decision of parliament. The cause of the strikers and the cause of the employees will not be served by those who set out deliberately to defy the law that has been passed, even though that law is not entirely fair to them. Because it is not entirely fair to the people concerned in the railways, we cannot but vote against the bill on third reading.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I merely want to say on behalf of our party that we hope this is the last time we are called upon to pass this type of legislation, because we feel there is a better way.

• (0300)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I wish to say very briefly that we will support this bill, but with reluctance, since this is not a democratic or proper way of

Division

settling a labour dispute. One thing is sure, however: this bill has been improved by the work of parliament and our party is pleased that at least some hon. members from other parties recognized the importance of speaking of gearing wages to the cost of living. That is something we have been clamouring for in all sectors of the economy and for once, this evening, our ideas made some headway. I heard colleagues of all parties speak of it.

Mr. Speaker, before ending my remarks, I should like to say that the I am surprised at my hon. colleague from York South (Mr. Lewis) paying that he will vote against the bill, against the back-to-work order, when his party spent I don't know how much time proposing amendments in conjunction with the government, which amendments were accepted. Finally, Mr. Chairman, if the NDP vote against the bill, I wonder what logic there is in their attitude.

[*English*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, I perhaps travelled farther than any other member of the House of Commons to get here, and it would be inappropriate if I did not say a word or two about some others who have been completely overlooked in the few days during which this debate has been going on. If it were not for the communications network that was maintained by the CN in the Yukon Territory and the Northwest Territories we would have had virtually no communication with the outside world, electronically at least. That network has been maintained during the strike by supervisors most of whom were workers at one time. Therefore, I think I would be remiss if I did not extend our appreciation to those supervisors who provided the service to these often forgotten areas of Canada.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Munro, Hamilton East) which was agreed to on the following division:

(*Division No. 38*)

YEAS

Messrs:

Alexander	Allmand	Atkey
Alkenbrack	Andre	Baker
Allard	Arrol	Baldwin

[Mr. Fortin.]

Messrs:

Balfour	Hamilton (Qu'Appelle-Moose Mountain)	Matte
Basford	Hamilton (Swift Current-Maple Creek)	McCain
Bawden	Hargrave	McGrath
Beatty (Wellington-Grey-Dufferin-Waterloo)	Herbert	McKenzie
Beaudoin	Higson	McKinley
Béchard	Holmes	McKinnon
Bégin (Miss)	Hopkins	McRae
Bell	Horner (Battleford-Kindersley)	Mitges
Blais	Howie	Morgan
Blenkarn	Hueglin	Morin (Mrs.)
Blouin	Hurlburt	Muir
Boulanger	Hymmen	Munro (Esquimalt-Saanich)
Breau	Isabelle	Munro (Hamilton East)
Buchanan	Jamieson	Murta
Caccia	Jelinek	Neil (Moose Jaw)
Cafik	Jerome	Nielsen
Campbell	Kempling	Nowlan
Caouette (Charlevoix)	Knowles (Norfolk-Haldimand)	Oberle
Caron	Korchinski	O'Connor
Chrétien	Kuntz	Olivier
Clark (Rocky Mountain)	Lachance	O'Sullivan
Clarke (Vancouver Quadra)	Lajoie	Patterson
Clermont	Lalonde	Pelletier (Hochelaga)
Coates	Lambert (Edmonton West)	Pelletier (Sherbrooke)
Comtois	Lang	Penner
Corbin	Laniel	Portelance
Corriveau	La Salle	Poulin
Côté	Latulippe	Prud'homme
Crouse	Lawrence	Railton
Cullen	Leblanc (Laurier)	Reid
Cyr	LeBlanc (Westmorland-Kent)	Reilly
Danforth	Lefebvre	Reynolds
Danson	L'Heureux	Richardson
Darling	Loiselle	Ritchie
De Bané	MacDonald (Cardigan)	Roche
Demers	MacDonald (Egmont)	Rompkey
Dick	Macdonald (Rosedale)	Rooney
Dinsdale	MacDonald (Miss) (Kingston and the Islands)	Roy (Timmins)
Drury	MacEachen	Roy (Laval)
Dubé	MacInnis (Cape Breton-East Richmond)	Sauvé (Mrs.)
Dupont	Mackasey	Schumacher
Dupras	MacKay	Sharp
Duquet	MacLean	Smith (Northumberland-Miramichi)
Ellis	Macquarrie	Smith (Saint-Jean)
Epp	Marceau	Stackhouse
Ethier	Marchand (Langelier)	Stanbury
Fleming	Marchand (Kamloops-Cariboo)	Stanfield
Fortin	Marshall	Stevens
Foster	Masniuk	Stewart (Marquette)
Fox		Stewart (Okanagan-Kootenay)
Frank		Stewart (Cochrane)
Fraser		Stollery
Gauthier (Ottawa East)		Taylor
Gendron		Thomas (Moncton)
Gillespie		Towers
Gillies		
Goyer		
Grafftey		
Gray		
Guay (St. Boniface)		
Haidasz		
Haliburton		

Messrs:

Trudeau	Turner	Watson
Trudel	(Ottawa-	Whelan
Turner	Carleton)	Whittaker
(London	Wagner	Wise
East)	Walker	Woolliams
		Yanakis—187.

NAYS

Messrs:

Benjamin	Knowles	Nesdoly
Blackburn	(Winnipeg	Olaussen
Brewin	North Centre)	Orlikow
Broadbent	Leggatt	Peters
Douglas	Lewis	Rodriguez
Gleave	MacInnis (Mrs.)	Rose
Godin	(Vancouver	Rowland
Grier	Kingsway)	Saltsman
Harding	Mather	Symes—26.
Harney	Neale	
Knight	(Vancouver	
	East)	

● (0320)

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

Mr. MacEachen: Mr. Speaker, it is understood that the bill will go to the other place, so probably we should suspend the sitting to the call of the bells, when we could give royal assent, hopefully, to this measure.

Mr. Baldwin: Mr. Speaker, I was wondering if at this late hour the minister is inspired to give a divine decision as to what we are going to do next Tuesday.

Mr. Knowles (Winnipeg North Centre): Or, more immediately, what are we going to do for the next hour?

Mr. Speaker: If there is agreement, we will suspend the sitting to the call of the bells.

SITTING SUSPENDED

At 3.25 a.m. the sitting was suspended.

SITTING RESUMED

The House resumed at 6 a.m.

Royal Assent

THE ROYAL ASSENT

[*English*]

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

Government House
Ottawa, September 1, 1973

Sir:

I have the honour to inform you that the Honourable Ronald Martland, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Brigadier General
Administrative Secretary
to the Governor General.

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

Bill C-217, an act to provide for the resumption and continuance of operations of railways and for the settlement of the disputes with respect to terms and conditions of employment between railway companies and their employees—Chapter 32.

Mr. Speaker: I am sure I express our feelings and thanks when I express appreciation for the services we have received in the course of this long day's sitting from the staff of the House.

Some hon. Members: Hear, hear!

Mr. Speaker: I am advised that not only the library, restaurant and cafeteria staff, Journals and Debates, but the House of Commons personal staff, the pages and the protective staff have dutifully remained at our service during these long hours. I am sure we appreciate their services.

Some hon. Members: Hear, hear!

Mr. Speaker: Pursuant to Section (3) of Standing Order 2, this House stands adjourned until Tuesday, September 4, at 2 o'clock p.m.

At 6.13 a.m. the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Tuesday, September 4, 1973

The House met at 2 p.m.

PRIVILEGE

MISS MacDONALD—INTERROGATION BY POLICE CONCERNING FILES MISSING FROM INDIAN AFFAIRS DEPARTMENT

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I rise on a question of privilege, notice of which I have given you, on behalf of myself and every member of this House. You, Sir, as parliament begins each session, ask the Governor General, in the Queen's name, to continue the privileges, mandates and powers to be held, enjoyed and exercised by members of parliament.

My question of privilege concerns the fact that on Friday last my parliamentary office was visited on two occasions by members of the Ottawa city police force and the RCMP without first having sought an appointment or without your permission or that of your staff.

Some hon. Members: Shame, shame.

Miss MacDonald (Kingston and the Islands): The purpose of their visit was to inquire about files and documents missing from the Department of Indian Affairs and Northern Development. On the first occasion, these gentlemen interrogated my staff, in my absence and without my permission, as to my activities, contacts, telephone calls and conversations during the preceding 24 hours.

On the second occasion when I arranged to meet them they continued this type of interrogation. What gravely concerns me, Sir, is the implication throughout their questioning of my involvement in a criminal offence.

Some hon. Members: Shame, shame.

Miss MacDonald (Kingston and the Islands): Obviously I have an interest in seeing that the investigation is conducted satisfactorily, and for that reason I subsequently arranged to meet with these police officers. Yet, I have an overriding obligation to ensure that the privacy of my office is not violated.

Some hon. Members: Hear, hear!

Miss MacDonald (Kingston and the Islands): I have raised this question, Sir, because its gravity affects not only myself but all members on both sides of this House. If you find I have a prima facie case of breach of privilege I will move, seconded by the hon. member for Fundy-Royal (Mr. Fairweather):

That all matters pertaining to the interrogation of myself and my staff on Friday last be referred to the Committee on Privileges and Elections for study and report.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Kingston and the Islands (Miss MacDonald) did provide the Chair with notice as required by the Standing Orders. Furthermore, the hon. member and I have had a few discussions in connection with the incident to which she has just alluded.

I have no doubt that all members of this House are highly concerned about such activity. I have no doubt whatsoever that members would not want to be placed in the position where, in their absence from their offices, representatives of police forces, either federal, provincial or municipal, should be allowed to go in and, without any authority whatsoever, question members of the staff. I think that is an extremely serious matter, and I have no doubt at this point that I express the views and concern of each member of this House when I say that if ever there was an apparent breach of a member's privilege, this is it.

Some hon. Members: Hear, hear!

Mr. Speaker: At the same time, I think perhaps hon. members would want me to have an opportunity to have a discussion with the hon. member for Kingston and the Islands to ascertain whether the House would want to have a debate on this matter or whether we should simply agree that there is a prima facie case of breach of privilege, put the motion and have the matter referred to the Standing Committee on Privileges and Elections. I am not sure whether or not hon. members, in their joint and unanimous concern over the incident, would want us to proceed in this way. If there are views which might be expressed at this time for the guidance of the Chair I would be grateful to hon. members. I, personally, would not hesitate to rule that there is a prima facie case of breach of privilege, subject to what guidance I might receive from hon. members on the point.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I do not want to say anything more on this matter other than to indicate that you have expressed the views I hold, and which I am sure represent the views of members on both sides of the House. I think the only issue which can be decided at this time is whether or not the motion should be put now or there should be a debate. Possibly the government House leader and the other House leaders might have an opportunity for consultation and discussion with Your Honour on this point so that we may come to a decision which will accelerate the solution of this question, and also see that it receives the attention it deserves. I would make that suggestion.

● (1410)

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, your expression of opinion on this matter certainly has found support in this part of the House and we would be ready to co-operate to seek the

most effective method of dealing with this matter. Perhaps it would be useful to follow through on the suggestion of the hon. member for Peace River (Mr. Baldwin) and have a meeting with Your Honour and other House leaders.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we would have been prepared to agree without debate to the passing of the motion proposed by the hon. member for Kingston and the Islands (Miss MacDonald), but since there is the suggestion of consultation we would be glad to participate in that consultation. I have no hesitation in expressing the view now, however, that we think what is needed is inquiry into the matter by the committee rather than a debate at this stage on the floor of the House.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, we agree with the suggestion that the House Leaders should meet instead of our holding a debate to settle the matter as soon as possible, since all hon. members do feel, as you said a while ago, that police officers should not have access to our offices without our knowledge, at any time, whenever it suits them, but that they should be authorized to do so beforehand. We therefore strongly support a meeting of the House leaders so that consultation may be held at the earliest possible time.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if you will permit me a few seconds, might I suggest that the hon. member for Kingston and the Islands (Miss MacDonald) be invited to meet with the House leaders when this matter is being discussed.

Mr. Speaker: It is my understanding of the situation that, on the basis of the Chair's finding there is a prima facie case of privilege, the motion would be put later on following the discussions which have been alluded to, that is consultations with the House leaders, the hon. member for Kingston and the Islands and the Chair, following which arrangements could be made for putting the motion and perhaps having the matter referred to the Committee on Privileges and Elections as suggested by the hon. member for Kingston and the Islands.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

SUGGESTED PROCEDURE FOR DEALING WITH BUSINESS OF THE DAY

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am rising at this point under motions to suggest a procedure that has been discussed earlier today to deal with the business of the House facing us this afternoon under introduction of bills. We will be seeking to move first reading of a bill to amend the Old Age Security Act and a bill to amend the statute law providing for the payment of supplementary retirement benefits. It would be our wish to proceed with second reading of the amendments to the Old Age Security Act. We realize members might want to have an opportunity to look at the bill before the discussion begins.

At the same time, it is the decision of the government that the Prime Minister make a statement on motions today dealing with inflation and the cost of living. The cabinet has completed its study of this statement, but it is not ready, translated and in proper form for distribution. It might be convenient, in order to accommodate these various considerations, if we agreed to suspend our sitting until 4 p.m. The statement to be made by the Prime Minister would be circulated as soon as possible to give opposition parties an opportunity to study and comment on it. Then, following motions, we would continue with the normal question period and the normal business of the House.

That is a proposal I make in order to accommodate the need to have a look at the Prime Minister's statement so that comments might be possible.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, the general suggestion made by the government House leader is acceptable. We would have been ready, if necessary, to respond to the Prime Minister's statement at this time, but one can well understand, in view of the importance of this statement, that the document must have the greatest possible scrutiny. The punctuation must be adequately fitted to the statement.

Mr. Diefenbaker: Its incubation took a long time.

Mr. Baldwin: Having in mind the limited period of gestation, we are quite prepared to consider the motion as suggested. Under those conditions, we will agree to the suggestion.

On the matter of the bill to be introduced, what the government House leader suggested is reasonable. As a matter of fact, we are prepared to go one step further. Because the bill is one which covers suggestions we have made from time to time, we are willing that it be dealt with in committee of the whole, thus saving the time which might otherwise be taken in sending it to the standing committee.

Some hon. Members: Hear, hear!

Mr. Baldwin: We hope that, with adequate opportunity for debate for those who want to make representations, it might well be completed by tonight—I hasten to add, within orthodox limits of our time. Under those conditions and for that reason, we would be prepared to go along with that addition to what the government House leader has suggested.

An hon. Member: Start the meditation.

Mr. Baldwin: Transcendental?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as must be obvious, there has been a fair amount of collective bargaining today. In this instance it has been

reasonably successful. I believe that if you combine the comments made by the government House leader and those made by the hon. member for Peace River (Mr. Baldwin) you will get a picture of what it is to which we have agreed. May I point out that the proposal for a suspension until four o'clock is one that in our view should not come into effect until after the introduction of bills, so that the two bills in question will have been introduced and will have received first reading.

Although our leader was ready to speak immediately in response to any statement the Prime Minister might make—

Some hon. Members: Oh, oh.

Mr. Baldwin: It is a good thing you are not under oath, Stanley.

Mr. Knowles (Winnipeg North Centre): There is one thing about my leader; he always does what I say he will do. We also feel it would be a good idea to have time to look at the bill to amend the Old Age Security Act and to look at the Prime Minister's statement before we proceed further.

We also agree to the proposal that when the bill to amend the Old Age Security Act has had second reading, it could be considered in committee of the whole rather than being sent to the Standing Committee on Health, Welfare and Social Affairs. Accordingly, we are a party to the agreement that has been reached thus far today.

● (1420)

Mr. Speaker: Is it the wish of the House that the bills in question be introduced at this time, and that the sitting be suspended thereafter until four o'clock?

Some hon. Members: Agreed.

* * *

OLD AGE SECURITY ACT

PROVISION FOR QUARTERLY ADJUSTMENT OF PENSION

Hon. Marc Lalonde (Minister of National Health and Welfare) moved for leave to introduce Bill C-219, to amend the Old Age Security Act.

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

Mr. Speaker: When shall the said bill be read a second time? Later this day?

Some hon. Members: Agreed.

Privilege—Miss MacDonald

STATUTE LAW (SUPPLEMENTARY RETIREMENT BENEFITS) AMENDMENT ACT, 1973

PROVISION FOR REMOVAL OF TWO PER CENT LIMIT ON ESCALATION, REDUCTION OF ELIGIBLE AGE, ETC.

Hon. C. M. Drury (President of the Treasury Board) moved for leave to introduce Bill C-220, to amend the statute law providing for the payment of supplementary retirement benefits to certain persons in receipt of pensions payable out of the Consolidated Revenue Fund.

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

Mr. Speaker: When shall the said bill be read a second time? Later this day?

Some hon. Members: Agreed.

Mr. MacEachen: Mr. Speaker, it might be worth recording that we are agreeable to dealing with the old age security bill in the committee of the whole. If that could be understood we could agree to the suspension until four o'clock.

Mr. Speaker: Is it therefore agreed that the House suspend the sitting until the call of the bells at four o'clock?

Some hon. Members: Agreed.

SITTING SUSPENDED

At 2.23 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 4 p.m.

* * *

PRIVILEGE

MISS MACDONALD—INTERROGATION BY POLICE CONCERNING FILES MISSING FROM INDIAN AFFAIRS DEPARTMENT—REFERENCE TO COMMITTEE

Mr. Speaker: Order, please. Earlier this afternoon the hon. member for Kingston and the Islands (Miss MacDonald) proposed a privilege motion. The Chair ruled at that time that there was a prima facie case of privilege. At the suggestion of some hon. members it was agreed that the ensuing formalities might be considered after discussions or consultations between the House leaders. Those have taken place and it has been agreed that the motion should be put and the matter referred, without debate, to the Committee on Privileges and Elections.

I would therefore put the motion proposed by the hon. member for Kingston and the Islands, seconded by the hon. member for Fundy-Royal (Mr. Fairweather):

That all matters pertaining to the interrogation of myself and my staff on Friday last be referred to the Committee on Privileges and Elections for study and report.

Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

Cost of Living

[*English*]

THE CANADIAN ECONOMY

STATEMENT BY PRIME MINISTER ON MEASURES TO DEAL WITH COST OF LIVING

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, parliament has achieved the first purpose for which it was recalled into emergency session. It has legislated an end to the national rail strike and hon. members know that today the trains and ferries are running again. The Minister of Labour (Mr. Munro) will soon announce the appointment of an arbitrator for the dispute, one whose terms of reference are to bring about a prompt and fair settlement. Getting the trains running again was an urgent national economic necessity, as is the second purpose for which hon. members are here. That is the problem of rising prices, especially food prices, which the government wishes parliament to deal with now.

The government wishes to benefit from parliamentary discussion of inflation and the economy; it wishes to seek the approval of parliament for immediate legislative action that it proposes; it wishes to report on non-legislative actions that it has taken and will take. I will briefly describe the government's legislative proposals and non-legislative actions in this statement.

● (1610)

[*Translation*]

Mr. Speaker, Canadian prices for consumer goods have, indeed, gone up rapidly, although our situation is better than that of most other industrialized countries. In fact, our economy is dynamic and expanding quickly; the expected rate of growth this year is 7 per cent of the GNP in real terms. Such rate of growth is seldom achieved, here or elsewhere. Jobs are being created at a faster rate than in any other developed country: when we compare the first seven months of this year with the corresponding period last year, we see that the rate of new jobs has gone up by 5 per cent and that 411,000 more Canadians have jobs, that is an unprecedented rate of growth namely 4.3 per cent of the labour force. And so, despite the swift increase in the labour force, unemployment has gone down to 5.2 per cent whereas last September it reached its peak at 6.9 per cent.

Workers income and corporation benefits have by far exceeded the global rate of inflation in Canada. During the first quarter this year, the real income of individuals, after income tax, went up by an average 6.2 per cent compared with the same period in 1972. If Canadians have a net increase in income, it is due to a large extent to the fact that the financial budgetary reductions of last February have borne fruit.

Higher costs of food products and others result from world shortages, the effects of which an importing and exporting country such as ours cannot escape. In the face of higher world prices, our action is limited. Nevertheless, Parliament has in effect accepted the important proposals put forward by the government to slow down inflation through tariff and tax reductions that will alleviate the burden of higher prices on Canadians. Parliament has agreed to greatly reduce personal income taxes and sales tax, to increase tax exemptions, to provide as of January 1974 for the escalation of personal income tax, to increase sensibly old age security pensions, to remove federal sales taxes on children's clothing, to cut tariffs on a wide range of consumer goods.

[Mr. Speaker.]

[*English*]

Any system of prices and incomes controls has thus far been rejected as ineffective in coping with a phenomenon that is worldwide and because controls risk aggravating the real problem—the problem of supply—should farmers and other producers restrict production in the face of controls. That is what has happened elsewhere. A Food Prices Review Board was established to monitor prices, to investigate price rises, to train the spotlight of publicity on those increases considered to be unwarranted.

● (1610)

The government also announced its intention to nearly triple family allowances.

This package to restrain inflation and to mitigate the effects of inflation was directed at Canadians generally, but especially at those who are least able to protect themselves, those on low and/or fixed incomes. As the world inflationary forces continued, I announced on August 13 further steps extending this comprehensive approach under three sets of measures. These were: measures to conserve and increase the supply of food while protecting farm incomes; measures to protect the consumer against unwarranted price increases; measures to mitigate the effect of rising prices, especially on those who suffer most.

I would like to discuss legislative proposals for parliament and non-legislative actions taken or to be taken, under these three headings. I shall discuss, first, measures to conserve and increase the supply of food. The government, on June 29 last, placed soya, rape and flax seeds and their by-products under the control of the Export and Import Permits Act to protect our protein feed situation after the United States imposed their export embargo. Similarly temporary export controls on beef and pork were imposed on August 13 to safeguard meat supplies for Canadians against a rush of Canadian exports to the United States caused by trading and price distortions brought on by price controls in that country. A good supply of meat continues to be available in Canadian towns and cities and prices have dropped substantially following the government action because of increased marketings—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hees: This has been a startling statement thus far.

Mr. Trudeau: —coupled with some consumer resistance. The conclusion of the rail strike will further serve to reduce pricing anomalies. Export controls will last only as long as they are necessary—

An hon. Member: Not in western Canada.

Mr. Diefenbaker: They are hurting the farmer.

Mr. Trudeau: Is there anything else?

Mr. Fairweather: Nothing has been said yet.

Mr. Hees: That is why we want to fill in for you.

Mr. MacEachen: You are awfully nervous over there.

Some hon. Members: Oh, oh!

Mr. Speaker: May we have order, please.

Mr. Trudeau: Mr. Speaker—

Mr. Nielsen: Now say something.

Mr. Trudeau: Mr. Speaker, I am wondering if the opposition is not afraid of the contents of this statement, otherwise they would not make so much noise; they would be much more relaxed in preparation for listening to their own leader make his statement. Export controls will last only as long as they are necessary to protect the food supply of Canadians and are not intended to be a permanent instrument for supply control.

On a more long-term basis, the provinces have been invited to a ministerial-level conference in September to agree on principles and policies to encourage increased food production at reasonable returns to farmers. Increased food production in Canada, encouraged by measures to bring more stability and security of prices to producers, strikes at the heart of high food prices now being faced by consumers. Therefore, the government is prepared to put in place measures such as higher support payments for agricultural commodities, advance payments on a wide range of agricultural products, commodity-oriented government-producer financed income stabilization programs and such other measures as might evolve after the September conference. There is no shortage of food in Canada now, Mr. Speaker, and the government will see to it that there is no artificial creation of scarcities.

Adequate farm manpower at times of peak need is critical to food supply, and if we are to increase production we must increase the availability of manpower. The Manpower and Immigration Department is preparing new and more effective arrangements for the recruitment, training, deployment and housing of seasonal farm workers. Additionally, wherever labour market bottlenecks may be contributing to rising costs, the Minister of Manpower and Immigration (Mr. Andras) will conduct major efforts to ensure there is sufficient supply of skilled workers to meet demand.

● (1620)

[*Translation*]

And now, Mr. Speaker, I am coming to the second series of measures dealing with the consumer's protection.

Following my statement of August 14, the terms of reference of the Food Prices Review Board have been extended so that from now on, it can investigate price increases in such or such commodity. Its staff has been strengthened: some experienced civil servants attached to its investigation section, are already busy detecting unwarrantable price increases. In addition, the research division and the administration services have been enlarged. The government, I can assure this House, is anxious for the Board to be in a position to detect unjustifiable increases as well as those responsible for them and to lay them to an unrelenting publicity. If the Board points out glaring abuses which those responsible do not eliminate, the government will resort to its powers to take the necessary steps. If it needs other powers, it will not hesitate to call on Parliament.

On the other hand, the Minister of Consumer and Corporate Affairs (Mr. Gray) will introduce in the House a bill amending and widening the Combines Investigation Act in order, among other things, to define and provide penalties in the greater number of cases of misleading advertising and other unfair commercial practices.

[*English*]

Finally, Mr. Speaker, I shall discuss measures to mitigate the effect of rising prices. Accompanying these measures to conserve and increase the supply of food, and to protect consumers in respect of food prices, the government will be asking parliament to approve a number of measures to protect the purchasing power of pensions and allowances.

First, legislation has been introduced to escalate the pensions under the OAS and GIS plans every three months instead of every year. This will make these pensions much more responsive to price increases. The legislation will take effect in October, 1973, when the basic pensions will increase from $100 to $105.30, reflecting the increases in the consumer price index for the ten-month period from October, 1972, to July, 1973; and the total pension, including the GIS supplement, will go from $170.14 to $179.16 for a single person.

Second, legislation will be introduced to remove the 2 per cent ceiling on the annual escalation of pensions paid under the Canada Pension Plan. The provinces will be asked for their support of this change, as required by law. Parallelling this change in the CPP, legislation has been introduced today to remove the 2 per cent ceiling on cost of living increases of pensions paid to retired employees of the Government of Canada.

As for private pensions, the government proposes to remove the provision that only employee pension plans with a 2 per cent maximum on the annual escalation of pensions being paid may be registered under the Income Tax Act. From now on, pension plans which provide for full escalation of pensions in response to cost of living increases will be registerable.

Third, the government has already introduced a measure which will assist families with children to meet higher living costs: the virtual tripling of family allowances in January, 1974, to an average of $20 per month. To meet the higher prices which must be paid now, however, parliament will be asked to approve an interim increase in family and youth allowances to $12 per month starting in October next. The $12 allowances would not be taxable.

Some hon. Members: Hear, hear!

Mr. Trudeau: As for the poorest families in Canadian society, the federal government shares 50 per cent of the cost of social assistance paid by the provinces to families in need. The government said in August, and repeats today, that it stands ready to pay 50 per cent of the costs of increasing these payments to compensate for higher

prices. Certain provinces have already acted to do so, and others are undoubtedly considering taking such action soon.

[*Translation*]

The foregoing constitutes payments of income to Canadians.

The government also intends to take other measures to reduce the cost of basic foods, measures which will greatly contribute, I think, to maintain and even reduce the price of essential foodstuffs.

[*English*]

We are completing discussions with the Canadian Wheat Board and the Ontario Wheat Producers Marketing Board to immediately reduce prices of wheat to millers and other users for human consumption in Canada. The reduction would be approximately to the level of the early August prices and would be part of a multi-year agreement which would provide guaranteed minimum and maximum prices to the Canadian farmer.

Some hon. Members: Hear, hear!

Mr. Trudeau: We would pay to the Wheat Board and other producers up to $1.25 per bushel of wheat consumed by Canadians—bread, pasta and all other uses—as a consumer subsidy. The result will be that a further bread price increase of about 5 cents a loaf which was inescapable in October will not now occur.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Trudeau: The federal government wishes also to alleviate the burden of the price of milk for Canadian families and insists that any measure taken will benefit consumers. The government is therefore willing to guarantee payment of a 5 cent subsidy per quart of milk to the provinces where marketing boards will agree to maintain or reduce the cost of milk for at least one year. At the same time, the government will set up a program aiming at reducing by an equivalent amount the price of a package of powdered skimmed milk. In this respect, it will hold meetings with provincial representatives without delay.

To make sure that these measures will fully benefit consumers, the Food Prices Review Board will be instructed to closely supervise the results of the subsidy programs that I have just announced.

[*English*]

Turning from food prices, another area of concern to Canadians and the government is the price of gasoline and heating oil. The world is going through a period of rapidly escalating petroleum prices and Canada is not immune from world conditions. The market in eastern Ontario, Quebec and the Atlantic provinces is dependent entirely on international crude oil supplies, mainly from Venezuela, Iran and the Arab states. Crude oil from these sources has gone up in price by more than 30 per cent in the past year.

In the rest of Ontario and the western pronvinces, which are supplied by Canadian production, the price has risen along with international prices. In part this is because about half of Canadian production is sold in the United States markets where increasing reliance on foreign supplies has made the United States vulnerable to foreign prices. Canadian crude oil production has consequently been sold in the U.S. at the opportunity prices available, and the domestic Canadian consumer has seen this U.S. demand raise his prices too.

Prices of petroleum products, including gasoline and home heating oil, in Canada today have reached the point at which the government believes immediate measures are required to stabilize the action of the marketplace in the interest of consumers and the rational development of Canadian industry.

Some hon. Members: Hear, hear!

Mr. Trudeau: Accordingly, the following measures are now being announced:

1. The oil industry will be asked to refrain from making further price increases affecting Canadian consumers before January 30, 1974. This price restraint would apply except where, to the satisfaction of the Minister of Energy, Mines and Resouces (Mr. Macdonald), the increase in the cost of imported crude oil warrants a Canadian price increase.

2. The government intends to seek a control mechanism whereby higher prices in the U.S. market would not automatically increase prices at home in Canada.

Some hon. Members: Oh!

Mr. Trudeau: An export tax or a national oil marketing board are two possible control mechanisms. Discussions will be held as soon as possible with provinces and industry prior to the introduction of legislation.

3. The government will also hold early consultations with provinces and industry on the extension of pipeline facilities so as to enable Canadian oil to be shipped into Montreal. At a time of rapidly escalating international prices, this would put Canadian oil into competition with international oil and would give additional security against international disruption of supply.

● (1630)

Mr. Speaker, in present world conditions the most urgent task of the government is to ensure that those who are least able to defend themselves against the effects of inflation are protected. This has been a fundamental objective of the government. The measures which I have announced today are consistent with and will further strengthen the measures which the government has already taken to ensure that this objective is met.

The government must also ensure that the inflation which we face today and which reflects world shortages of foodstuffs and key commodities is not translated into escalating costs which might necessitate the imposition of income and price controls. The government believes there is a better way and a better course to follow.

Some hon. Members: Hear, hear!

Mr. Trudeau: The measures which it has taken to increase disposable income and thus offset the effect of inflation on real income should be taken into account by those who set prices, profits and wages. The government

expects them to behave in this way and not take advantage of the current situation to push up prices and costs.

These measures, Mr. Speaker, express the government's determination to deal with the problem of inflation in Canada.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, at one point the Prime Minister (Mr. Trudeau) suggested that we in the opposition were afraid of the contents of the paper he has just presented to the House. When one considers that the Prime Minister was not able to produce this document at two o'clock, the fact that at two o'clock we got the impression that we would receive it in plenty of time before four o'clock, and we received it between 25 and 20 minutes to four, it looks as though the Prime Minister was rather afraid of anybody seeing what was in it. I do not know how early in the afternoon the government decided on these measures, but certainly it had some difficulty getting them down on paper.

Some hon. Members: Hear, hear!

Mr. Stanfield: That kind of delay is not the sort of tactic or well organized endeavour that is likely to engender very much confidence in respect of what is in this document. There was a good deal of high expectation, which turned out to have been misplaced, that the Prime Minister would finally present a significant policy statement to this parliament. Instead, the Prime Minister has given us this afternoon a sort of pot-pourri of measures that deal with the most evident and discomforting symptoms of the sickness, or some of them—a review of the substantial measures previously announced—but no comprehensive assault on inflation.

Some hon. Members: Hear, hear!

Mr. Stanfield: The Prime Minister then went back to talk about the great anti-inflationary benefits conferred by the budget of the Minister of Finance (Mr. Turner) last February. The government has evidently found it completely impossible to monitor the effects, because we have not had that monitoring report as yet and it has been clear for very many months that the budget of the Minister of Finance was a joke as far as an attack on inflation in this country is concerned.

Some hon. Members: Hear, hear!

Mr. Stanfield: In respect of the measures announced this afternoon with regard to the Food Prices Review Board—and I am sure this is disappointing for the hon. member for York South (Mr. Lewis) and his colleagues—as I understand what the Prime Minister said, nothing effective at all has been done to put any teeth into the operations of that board.

Some hon. Members: Hear, hear!

Mr. Stanfield: The Prime Minister announced some measures that will receive general approval, such as the subsidy in respect of milk and the increase to $12 in family and youth allowances, although a lot of us wonder what kind of improvising is going on when the government announces a longer term program involving income taxation regarding these payments or allowances when introducing an interim measure which involves no such taxation. However, I am not going to quibble about questions like that in discussing a matter of such general importance.

Let me just say, with regard to the increase in old age pensions announced, or boasted about by the Prime Minister—that is, the device or principle of escalating on a quarterly basis—that for a long time, and until very recently, the Prime Minister and the Minister of National Health and Welfare (Mr. Lalonde) have been saying that this is an impossible thing. They rejected it as impossible and as something very foolish for me to have recommended a year ago.

Some hon. Members: Hear, hear!

Mr. Stanfield: I express the hope that every member of this House will take a very careful look at the bill the government has put before the House and the contrived and complex methods the government has adopted to deal with this very urgent problem facing our older people.

We approve of the wheat subsidy. But here is a government coming forward, in the first part of September, increasing to $1.25 a payment which it reduced from $1.04 to $1 in July. In the meantime the government has sat idly by and watched the price of bread go up six cents a loaf. Now the Prime Minister says this measure will avoid a further increase of five cents which would otherwise be inevitable in October.

Some hon. Members: Hear, hear!

Mr. Stanfield: I think a government that again has been idle while watching the price of bread go up six cents a loaf, and now puts forward this lame kind of proposal, is not one that is very much concerned about the ordinary people of this country.

Some hon. Members: Hear, hear!

Mr. Stanfield: I will have something to say about petroleum in a few minutes. But there is nothing in this statement for the homeowner. The government has not even suggested removing the 11 per cent sales tax on building materials, and has made no proposal to remove the sales tax on clothing for all Canadians, following up the step taken last winter in respect of clothing for children.

● (1640)

There are those who for their own reasons characterized the proposals we put forward in February as either outdated or simply unworthy of a Canadian government.

An hon. Member: Both.

Mr. Stanfield: I certainly do not concern myself with such criticisms coming from the government side, because they said the same thing about the proposals we urged in connection with unemployment. They said the same thing about the program we put forward with regard to indexing income tax. They said the same thing with regard to our

recommendations that old age pensions should be adjusted on a quarterly basis. They kept on criticizing those policies until they turned around and implemented them themselves following that not very happy, from their point of view, election a while back.

Now the Prime Minister puts forward arguments about shortages and a comprehensive approach to controls as being inconsistent with an adequate supply situation. I say to the Prime Minister through you, Sir, that that is an absurd generalization. It is an insult to the integrity of Canadian producers, many of whom have already indicated through their various organizations that they would co-operate in keeping supplies at high levels during a controls program and would support such a program. But a producer's concern about his input costs is in fact legitimate argument against selective controls or attempts to deal with food prices in isolation. I have no reason to believe that an across the board program would not receive sincere support from Canadian producers.

Some hon. Members: Hear, hear!

Mr. Stanfield: Just after the Prime Minister condemned the use of price controls or anything of that sort in a situation of world shortage, or in a situation where world factors push up prices, what did he do? He did not resort to a 90-day freeze, but a five-month freeze in connection with petroleum by itself. If there is one product in the world where international factors push up prices beyond the control of Canadians, that is it. I ask the Prime Minister how he can justify refusing to adopt a comprehensive and fair approach to controls while he is prepared to adopt isolated controls. How does he justify refusing to adopt a comprehensive system of controls, because they would create shortages, when he resorts to such a control at his own convenience?

Some hon. Members: Hear, hear!

Mr. Stanfield: I do not want to spend much time on the views of my friends to the left, but they seem to be in the incredible position at the moment of saying that you cannot make a freeze and temporary controls program work, but you can legislate roll-backs. There is neither consistency nor common sense in such an argument. The fact is that the government is fiddling around with selective quotas, freezes and other controls. All their suggestions and plans are oriented to each individual crisis as it comes up. Following that logic through to its conclusion, it would seem that when we get to the point of crisis in every facet of the economy, the sum of all their ad hoc responses will by that unhappy time constitute the sort of basic program which we put forward over six months ago.

Mr. Speaker, I am not arguing against measures of relief for those hardest hit by the cost of living squeeze as it now exists. Indeed, we have always advocated a number of such measures. These certainly are part of our over-all policy. We recognize, too, the need for certain support programs. We will support them if they are necessary, and we have always said that they are. We will support measures of this kind, but we must also, as a parliament, attack the problem.

We must stop the vicious circle that a widespread inflation psychology draws us further and further into, and we must do this with two criteria in mind. First, we must attack the problem of inflation in a way that makes it possible to continue sustainable growth in productivity and jobs. Regional disparity dictates that we must do this in the national interest. One of the things which frightens me about the present tactics of the government is that their monetary policies, their high interest rates, will wreak havoc on the economy of the slow growth areas of this country long before we have a chance to get unemployment in those areas down to anything like a satisfactory level. So I say that we need, in the national interest, a policy that will enable us to continue the creation of jobs. Simple humanity dictates that we must do this in the interests of the individual Canadian. The discredited approach of slowdown taken by this government in 1969 and 1970 must not be followed again.

Second, the program of attack must be comprehensive, short-term and as fair as possible. Selective approaches are in many instances not fair, and in a larger sense are not perceived to be universally fair. I am not suggesting for a moment that the price of petroleum products should not be frozen for a period followed by a system of controls. I just say it should be a general approach. When you are dealing with the psychological side of inflation, this element of fairness—everyone involved, and all pulling together in the common interest—and this mood of fairness cannot be over-emphasized.

I am certainly no lover of government intrusion into the economy to the extent that our policy involves, but based on these two criteria and the urgency of the matter I am prepared to act in this way. Big government, big business and big organized labour can choose to sit on the sidelines and look after their own interests. But the ordinary citizen looks to this parliament for leadership, for concern and for action. And we in this parliament must provide that action. The government says, "It is an international problem". So are death and taxes. But we do not stop trying to improve living, and we do not stop paying taxes. Certainly inflation is an international program, and short-term, economic stabilization programs are the widely accepted international response to the problem.

This is the government whose Minister of Finance presented a budget some six months ago which the minister said was "aimed at increasing the real income and improving the standard of living of Canadians". The minister's words of February 19 are nothing more than a sick joke now on September 4. The minister said the budget was "aimed at reducing inflationary pressures . . . aimed at ensuring that older Canadians share more fairly and more fully in the growing national prosperity . . . so they may better enjoy living in well-earned retirement."

● (1650)

This is a government that chose to cling to power in speaking through the Minister of Finance on February 19 of this year. A sick joke! Where are we today? For many Canadians, daily life has become simply a matter of survival. For those who have recently benefited from pension increases, the increases have been almost instantly consumed by rising prices of the very essentials of life. For those who work for wages, it is all too clear that inflation is destroying not only their incomes but the future value of their retirement benefits. In conditions such as this,

orderly investment is difficult and saving is almost impossible.

Canadian consumers are confronted now with endless rounds of demands, and very understandable demands, for higher wages which will make demands upon costs that can only be met by further demands upon the consumer. The cause of our even being here now, which was the national railway strike, was merely the tip of the iceberg: every hon. member of the House knows this.

Some hon. Members: Hear, hear!

Mr. Stanfield: Surely what we must do now is to make it clear that we cannot carry on doing things in bits and pieces. We must make a comprehensive, concerted effort, I suggest, for two years. Two years is a very short span of time in the lifetime of a nation. It can be a very significant period in Canada's history. We should get on with it, and we should build upon it. Obviously this government will not do that, so the evident key to the problem is to replace it as soon as possible with a government that will.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, at this moment we are dealing with a problem that is of great concern to all Canadians and to all members of this parliament. Every time the Leader of the Official Opposition (Mr. Stanfield) and his colleagues deal with this problem they have a lexicon of words that they use and repeat all the time. The Leader of the Opposition wants a comprehensive attack; he wants a concerted attack; he wants a short-term stabilization program; he wants a temporary attack.

Some hon. Members: Hear, hear!

Mr. Lewis: At no time—

Some hon. Members: Oh, oh!

Mr. Lewis: I do not really care whether the Conservative members keep up their noise or not, but I think it should be set down in the record that the Leader of the Official Opposition was afforded the courtesy of being listened to by all members of parliament—

Some hon. Members: Hear, hear!

Mr. Lewis: —even by those who disagreed with him. But if they want to continue, they can. It is in your hands, Mr. Speaker. As I said, the Leader of the Opposition wants these things—comprehensive, concerted, temporary. At one time he said there should be a 90-day freeze; at another time, a couple of weeks ago, it was a program for one and a half years. Today it has become two years. At no time when he or any one of his colleagues speaks about this over-all, comprehensive attack on inflation, as they call it, do they say how they would do it, how far they would go, how they would control the prices to the farmer, whether they would control the prices at one end or whether they would freeze wages at every point. We saw last week that if the Conservative program had been in effect then, not only would there have been a strike of the non-ops but we would have had a strike of all the railway employees—

Some hon. Members: Hear, hear!

Mr. Lewis: —against the wage freeze which they would have imposed.

My friend, the Leader of the Opposition, says he cannot understand how someone could oppose across the board controls, and at the same time call for some selective controls and roll-backs. I cannot help him if he cannot understand it, but the logic is perfectly obvious and I want to state this as simply and as seriously as I know how. An over-all, across the board system of controls has been proved to be unworkable in the United States and in the United Kingdom.

Some hon. Members: Hear, hear!

Mr. Lewis: But there are in an economy—particularly one as strong as Canada's—areas where controls can do the consumer good and bring justice to the people. Those controls are—I will come back to some of these in a moment—on interest rates which affect every house buyer and borrower, on the price of oil and gasoline which we can and should control, and controls and roll-backs on the gouging which takes place as a result of profits—to which I will also refer in a moment—by packers, supermarket chains, banks and oil and gasoline companies. There are areas where it is possible to impose selective roll-backs, whether they be on gasoline or oil, to subsidize the cost of bread and milk to the consumer, as well as the cost of meat, and to do all these things without imposing the kind of bureaucratic jungle which the official opposition is proposing to this parliament.

Some hon. Members: Oh, oh!

Mr. Lewis: My last word on this point is to draw to the attention of members of parliament, the people of Canada and the media in the gallery, that it is not without significance that the administrations in the world which have insisted on these kinds of across the board price controls have been conservative with a small "c" or a capital "C", whether in Washington, in London or anywhere else.

Some hon. Members: Hear, hear!

Mr. Muir: How about New Zealand?

Mr. Lewis: They do not have across the board controls in New Zealand. These Conservatives do not know what they are talking about. I had the honour and pleasure of spending a couple of hours with the Prime Minister of New Zealand when he was here for the Commonwealth conference, and I know from him that they have no such system of controls. They have what we have been demanding, that is, an effective, what they call prices justification tribunal.

Some hon. Members: Oh, oh!

Mr. Lewis: What we have said, and what I want to emphasize today if I may—

Mr. Speaker: Order, please. The hon. member who has the floor will allow me to interrupt him for a moment because it is my duty to bring to the attention of hon. members that in ordinary circumstances at five o'clock we would proceed to the consideration of private members'

business. I assume it is the wish of hon. members that we proceed with the business which is now before us. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Mr. Lewis: Mr. Speaker, what we have said from the start regarding the problem of increasing prices that faces Canadians is that there is a way in which these Canadians can be helped. I think it is thoroughly dishonest for anyone in the House or in Canada—and I hasten to say that no spokesman for the Conservative Party has suggested it, so I am not directing it against them—to suggest that this parliament or Canadians in general could in any way completely stop the pressure on prices in this country. It is just impossible, and it is not honest to suggest it, Mr. Speaker.

● (1700)

Some hon. Members: Hear, hear!

Mr. Lewis: We believe it is possible to impose roll-backs and controls in areas which are of direct assistance to the people of this country, and it is possible to assist those who are worst hit by the effects of rising prices. It is possible for parliament to do those two things, and they would have an immediate effect for the betterment and the welfare of the people of Canada.

I remind hon. members of this House that almost 60 per cent of the consumer price index is governed by food and shelter prices. The food weight, if I remember correctly—if I am out, it will not be by more than a percentage point or so—in the consumer price index is about 27 per cent and the shelter weight is about 32 per cent. Together those two, food and shelter, represent 59 per cent of the total burden of the consumer price index. But if you took that consumer price index and, instead of applying it on the average, or in the over-all as the present CPI necessarily does, you applied it to certain sections of the community, to the lower and middle-income people, then I suspect food and shelter would represent not only 59 per cent of the cost basket of the consumer but probably closer to 70 per cent and in some cases 80 per cent.

It therefore stands to reason that if we apply will and intelligence to this problem, and if we are able to reduce the effect of the rising prices of food in one area and the effect of rising prices of shelter in the other area, we will immediately beneficially affect the welfare of the largest proportion of the Canadian people, of the Canadian consumers. But in order to do that you must have an agency with power, and the Prime Minister's statement is disappointing beyond description in that it still leaves the Food Prices Review Board, (a) limited to food and (b) without any power itself or without any power in the government to do anything about unjustified price increases.

I do not know what in heaven's name is holding back the government except its traditional failure to meet the situation with courage and with will. I simply do not understand. There is not even a constitutional argument. There is no constitutional obstacle that the government has to overcome, Mr. Speaker, since early in August following the meeting of the provincial premiers in Charlottetown, P.E.I., the premiers came out of that meeting and unanimously announced that they were prepared to co-operate with the federal government in any action it may take to deal with the rising cost of living.

[Mr. Speaker.]

Some hon. Members: Hear, hear!

Mr. Lewis: That places in the hands of the federal government an undertaking by the provincial jurisdictions which enables the federal government to overcome any jurisdictional obstacle that one might have thought was there. It can do it by delegation of powers, by enabling legislation or by concurrent legislation. There are a whole number of avenues through which Ottawa and the provincial capitals could act jointly and simultaneously to give power either to the Food Prices Review Board or to the government on the recommendation of that board to roll back unjustified price increases. The failure to give us that undertaking in this statement is a great disappointment to everyone who thinks seriously about the problem at this time.

Of course, Mr. Speaker, we are delighted about the increase in family and youth allowances to $12 effective October 1, instead of having to wait for the increase until January 1 next year. That is of great value to most families. To the average Canadian family with children it means an increase of between $15 and $10 a month over what is received now in family and youth allowances. While it is not a large amount of money, it is certainly of very great assistance to Canadian families. I think anyone who does not recognize the value of that as being a partial answer to the rising cost of living is merely being political instead of being objective.

Some hon. Members: Hear, hear!

Mr. Lewis: I welcome, of course, the increase in the subsidies on domestically consumed wheat, although I am always astounded by the little bit that the government is ready to give to help the ordinary Canadian, compared with the large chunks it is ready to give to the large corporations. The total expenditure, under the present plan, of $1 a bushel represents $60 million or $65 million. From my statistical knowledge, I understand that about 65 million bushels of wheat are consumed in this country. As I say, that means a total cost of $60 million or $65 million, and an additional 25 cents a bushel subsidy means an additional $15 million to assist the Canadian family buying bread and pasta.

I think it is shameful that the government should limit itself in that way. The Prime Minister (Mr. Trudeau) said that this would avoid an increase of five cents on a loaf of bread that was bound to come in October. But, Mr. Speaker, this evening's Ottawa paper tells us that this morning an immediate increase of six cents per loaf of bread was announced. I say the government should have had the courage to make the subsidy for wheat another 25 cents or so in order to roll back the six cents immediate increase in the price of bread, instead of leaving it at its present high level of cost.

I also, or course, welcome the five cents a quart subsidy for fluid milk, and the similar amount for powdered milk. I merely note in this case that the Prime Minister found it

necessary to say—I hope I have got the right place, because I am speaking from memory—that the Prices Review Board was going to be asked to serve in this situation to make sure that the subsidy will get to the consumer. That is precisely the point we have made all through.

You can give all the subsidies you like to the producers, but if there is no surveillance over what happens in the long chain of packaging, wholesaling and retailing, and if you do not have a body with power to roll back unjustified price increases, there is no way you can make certain that these subsidies out of the federal treasury get to the pockets of the consumers instead of being added to the profits of the corporations. The very fact that the Prime Minister makes reference to the Prices Review Board in that context underlines the correctness of our demand that the board, or the government on the recommendation of the board, should have power to do something about unjustified price increases.

This seems to be the day, Mr. Speaker, for opposition leaders to claim credit for what the government has done. But I think it should be obvious to everyone that even the inadequate measures which the Prime Minister has announced would not have been announced had we not a minority parliament where the government has to listen to the opposition parties.

Some hon. Members: Hear, hear!

Mr. Lewis: I do not say it always listens to our party; I say it listens to other parties in this parliament as well. I think it should be underlined that a year ago the government could not have been moved to do this kind of thing. All the requests from opposition members to do something in certain areas were left without answers, without sympathy. But the evidence now is that in moving as far as it did, it is clear that this minority parliament makes the government move or else it would not remain in office.

Some hon. Members: Hear, hear!

Mr. Lewis: Turning to gasoline and heating oil, Mr. Speaker, the proposal concerning the possibility of an export tax and a national oil marketing board, together with the proposal for freezing the price, are proposals we have made from time to time and we welcome them in the Prime Minister's statement. I merely point out to him that once again he has waited until the price has gone up very considerably and then he freezes it. We have had an increase of 95 cents per barrel of oil at the wellhead in the last nine months. I wish the government had had the sense and the courage to put the freeze on three months ago. If they had, we would not have the kind of increase that we have now.

● (1710)

Mr. Speaker, I have not had a chance to discuss this with every one of my colleagues, but those I consulted before coming into this chamber—and I am sure it is true for all—are disappointed and heartbroken that the Minister of Finance (Mr. Turner) has not made any announcement about interest rates. I am told that the Leader of the Opposition did not refer to them either.

An hon. Member: Yes, he did.

Mr. Lewis: I am now told that he did. At this point I am not interested in that, Mr. Speaker. What I am interested in saying is that the Central Mortgage and Housing Corporation under the National Housing Act have no right to increase the interest rates on mortgages that go to the ordinary Canadian. They should be rolled back. The least the government could have announced was increased money for the assistance of home ownership so that some people would get mortgages at the 8 per cent level instead of having to pay 10 per cent or 11 per cent. The fact that there is no help for interest rates, particularly mortgage rates on housing, is disappointing and bad.

May I say to the Prime Minister and his colleagues that it is not thoughtful or sensitive of them to say they are ready to pay 50 per cent of the increased social allowances that some provinces may be willing to pay. Time and time again all of us in the opposition have to remind this government that there are sections of the country that cannot afford to increase social allowances by themselves. The 50 per cent the government pays to Ontario, Alberta or British Columbia may be sufficient to enable those provinces to increase welfare payments, but I suggest that the Atlantic provinces, and probably Manitoba, do not have the means to increase the social allowance. If this government wanted to help the poor and those who are on welfare to obtain a good diet, they should have said they would provide 100 per cent, or at least 75 per cent of the cost of the additional welfare money from the federal treasury. The money is there. Just the other day the Minister of Finance found $500 million. Apparently he had miscalculated the deficit by that amount.

Finally, Mr. Speaker, I want to make the point that it is time we looked at the profit picture of the large corporations and did something about that. You can be as certain as the fact that you are sitting in that chair, Mr. Speaker, that when workers across the country read, as they will, of the large increases in profits by the corporations they will justifiably demand a share of that additional productivity. Those additional profits are undoubtedly made at the expense of the Canadian consumer. An excess profits tax ought to be imposed to make sure that does not happen.

I should like to take a moment to cite a few figures, Mr. Speaker. In the second quarter of 1973, Dominion Stores increased their profits by 92.56 per cent over the same quarter in 1972, but sales increased by only 12.97 per cent. The Oshawa Group Limited, wholesale food distributors, showed an increase in profits of 57.26 per cent, and increased sales of only 22.43 per cent. The Ford Motor Company had an increase in profits of 48.1 per cent, but an increase in sales of only 21.66 per cent. Genstar Limited, a Montreal developer working in the west as well as the east, showed a profit increase of 83.6 per cent, while Cadillac Development Corporation, which has its headquarters in Toronto, with large development operations and holdings, had an increase in profits of 37.4 per cent. Two of the largest banks in Canada announced an increase in profits of 46 per cent and 50 per cent for 1973, compared with the same period in 1972.

Can anyone, objectively and conscientiously, suggest that the increase in profits for the retailers, the wholesalers, the car manufacturers, the developers and the banks was not an increase at the expense of the Canadian con-

sumer by gouging them unjustifiably in the marketplace, by squeezing out of them everything the traffic will bear at the present time?

It is possible to control profits, to control prices and therefore to roll back the burden on the ordinary Canadian consumer. That is why the statement by the government that it will, maybe, in the future do something about giving itself power with regard to the Prices Review Board is not good enough. That kind of legislation should come before parliament very shortly. There is no excuse for inaction in the areas which can benefit all Canadians.

● (1720)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the Prime Minister (Mr. Trudeau) kept his promises and his word. Last October in Shawinigan Falls he stated that he was about to distribute goodies to the people of Canada. Indeed, the goodies has just been handed out this afternoon.

Mr. Speaker, the reason why we were called here was to settle the rail strike. And that settlement, I think, constitutes the pretext for the next strike that will be called in two years or 28 months. It did not settle anything, nor will it. It will result in freight rate increases, passenger fare increases and new price increases across Canada at the very time when the Prime Minister announces that the government is quite willing to help the Canadian consumers and producers, to promote employment, to retrain workers.

Mr. Speaker, the Prime Minister talked for half an hour but he failed to come to grips with the root of the problem—the reason why we are faced with the present situation—the financial system and its disadvantages. Nobody wants to talk about the debt money system which calls for prohibitive interest rates.

Interests are up to 12 per cent or 12½ per cent on housing loans. For example, this morning the Provincial Bank of Canada was asking a borrower 12½ per cent on a 25 or 30 year home building loan. In 30 years that house will have cost him $45,200, while it only costs $20,000. The Prime Minister did not talk about that. That house will more than double in price but nobody talks about that. Nobody says that interest rates have doubled in the last 10 years. As soon as we talk about the monetary question, we immediately hear **crybabies** say: Ha! ha! Let us rather pick on our people, let us tax the haves in order to give to the have-nots.

Mr. Speaker, we accept the 5 cents cut on the price of a quart of milk; we accept a more reasonable price for bread, but what makes me laugh, is when this is called consumer subsidies.

My colleagues and I from the Social Credit have been proposing consumer subsidies for exactly 30 years. The government begins to realize it. The **opposition** begins to realize it and even the New Democratic Party begins to believe that we must look to the consumers for their protection.

Mr. Speaker, we also approve of the increase of pensions and allowances. We approve of the good intentions of the government, but we believe that we must at the same time

increase old age security pensions and family allowances. We believe that welfare recipients should also see their incomes adjusted so that their buying power will increase.

Mr. Speaker, the Creditists have been laughed at in the past, but listen today to those who offer solutions. I heard the Leader of the Official Opposition (Mr. Stanfield) say earlier that everything the government does is bad but, if he were there he would not do better.

However, he blames the government for not freezing incomes and prices. This has been tried, it is in fact still being tried in the United States, but it has been a complete flop. It produced the black market and discouraged producers to such an extent that they reduced their production and the problem is now worse than ever. That is what the Progressive Conservative would like to impose in Canada. Mr. Speaker, that is not the solution.

As for the New Democratic Party, it used to be in favour of price controls, but not wage controls. This could not balance out. Today, the New Democrats believe that we must not impose price and wage controls. However, knocking down big corporations, seems to be their solution to inflation.

Mr. Speaker, it is true that the profits of Chrysler Corporation Limited, Ford Motors Canada Limited and Noranda Mines Limited have increased. That is a fact. However, the leader of the New Democratic Party (Mr. Lewis) must know that the president of Noranda Mines Limited does not pile up profits in his bedroom. He must know, for example, that Noranda Mines Limited is spending this year $32 million to build a new ore processing plant. All profit-making companies—

● (1720)

[*English*]

An hon. Member: What about Ford profits?

Mr. Caouette (Témiscamingue): You can take any one company. They are not piling up their money in their bedrooms. They are spending money to expand the economy of Canada, but hon. members opposite do not understand that.

[*Translation*]

Mr. Speaker, it is wrong to attack those who create employment because they make profits, those who develop the Canadian economy. The leader of the New Democratic Party does not want any control, but he would like to nationalize. It is another form of control: to nationalize so that the government could poke its nose into everything, exactly as in Cuba or in other socialist countries where free enterprise no longer exists and where the government has the last word.

Mr. Speaker, those are not proper solutions and this government is a little late in taking action. Some time ago, western producers were paid not to grow wheat; Quebec and Ontario dairy farmers were penalized because they were exceeding their quotas. Production quotas were set and today we fear a shortage of products. Mr. Speaker, the government is responsible for that. Had production been encouraged when it was time, we could have withstood better the competition in world markets and would not

have had to wait for the United States to make their decision before setting our own production.

Mr. Speaker, the right hon. Prime Minister himself said, not so long ago, that our GNP would reach $102 billion this year, and owing to that gigantic production, our total national income, around $72 billion. How can we possibly buy a $102 billion production with $72 billion? Instead of trying to reduce production, let us find the means of increasing the purchasing power with which to buy Canadian production. This would be an efficient way of fighting inflation and the ever rising cost of living because, for my part, I do not think the present measures will prevent it from going up further.

The implementation of this whole program will lead to new taxes that will be included in prices, and so, lead once again to an increase in the cost of production. There is but one thing to do: issue new credits through the Bank of Canada to balance the Canadian purchasing power with Canadian production: then we will have fought off inflation and the rise in the cost of living.

* * *

[*English*]

INCOME TAX

TABLING OF REGULATIONS COVERING TAXING OF PROFITS OF MANUFACTURERS AND PROCESSORS

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to table, in response to a request which seemed to meet the consent of the House last week, the Order in Council giving effect to the regulation concerning Canadian manufacturing and processing profits.

* * *

[*Translation*]

SOCIAL SECURITY

LOWERING ELIGIBLE AGE FOR OLD AGE PENSION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. René Matte (Champlain): Mr. Speaker, under Standing Order 43, I am asking for the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

Since no provision whatsoever is made to ensure an adequate minimum income to people aged 60 to 65, and considering the very uncertain financial situation of couples in that age bracket and in cases where one spouse has not reached the required minimum age, I move, seconded by the hon. member for Rimouski (Mr. Allard):

That a special committee of the House be appointed to study the possibility of lowering from 65 to 60 the age of eligibility to the old age security pension and to make the pension automatically available to a spouse whenever the other has reached the age of eligibility.

Mr. Speaker: The House has heard the hon. member's motion. Under Standing Order 43, that motion requires the unanimous consent of the House. Is there unanimity?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent, therefore the motion cannot be put.

* * *

AGRICULTURE

INQUIRY AS TO PRICES PAID WESTERN FARMERS FOR CATTLE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, under Standing Order 43, and seconded by the hon. member for Bellechasse (Mr. Lambert), I am asking for the unanimous consent of the House to move the following motion:

That a committee of the House be appointed to conduct a thorough inquiry on the ridiculous prices paid to western farmers for their meat, especially beef, as those farmers are being exploited by the various slaughter houses that control marketing, set prices and bring about as they please a false meat shortage in Canada for the benefit of slaughter houses and to the detriment of producers and consumers.

Mr. Speaker: The House has heard the hon. member's motion. Under Standing Order 43, that motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore, the motion cannot be put.

* * *

● (1730)

[*English*]

UNEMPLOYMENT INSURANCE ACT

AMENDMENT TO PROVIDE FOR JOB INVENTORY

Mr. Frank Oberle (Prince George-Peace River) moved for leave to introduce Bill No. C-221, to amend the Unemployment Insurance Act.

He said: Mr. Speaker, the proposed bill is not only designed to provide Canada Manpower and the Unemployment Insurance Commission, or, more idealistically, a combination of the two with an inventory of all job opportunities in every field of endeavour, but it would also coordinate the efforts of the unemployed who are searching for work, on one hand, and industries, on the other hand, which are desperately looking for workers in most areas of Canada.

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

Oral Questions

ORAL QUESTION PERIOD

[*English*]

FINANCE

POSSIBILITY OF PRESENTATION OF BUDGET AND ELIMINATION OF TAX ON BUILDING MATERIALS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance whether he intends at an early date to present a budget, either a mini-budget or a full-fledged budget, and, if so, whether he has any intention of eliminating the 11 per cent sales tax on building material. I am thinking, also, of the federal government sales tax on all clothing, not merely on children's clothing.

Hon. John N. Turner (Minister of Finance): It is not my present intention to do so.

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GRAIN

SUGGESTED DISMISSAL OF MINISTER IN VIEW OF REVERSAL ON DOMESTIC SUBSIDY PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): One supplementary, in view of the hour. I should like to ask the Prime Minister, now that the entire cabinet is supporting a reversal of the domestic grain subsidy program announced by the responsible minister back in July, and in view of the fact that this minister also implemented the disastrous LIFT program, whether he will tell the House why he continues to keep that minister in charge of that particular responsibility.

Some hon. Members: Hear, hear!

Mr. Speaker: Order. I have some doubt as to the admissibility of the question from the point of view of procedure. I do not think the question is in order.

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FINANCE

INTEREST RATES—LACK OF REFERENCE IN PRIME MINISTER'S STATEMENT—POSSIBLE GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): I have a question for the Prime Minister, Mr. Speaker. In view of the fact that there was nothing about interest rates in the announcement he made this afternoon, could the right hon. gentleman inform the House whether or not it is the intention of the government within the next few days to bring forward a bill dealing with the interest rate situation, particularly with respect to mortgages?

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

[Mr. Oberle.]

HOUSING

ASSISTED HOME OWNERSHIPS PROGRAM—REQUEST FOR INCREASE IN FUNDS

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary to the Minister of State for Urban Affairs. In view of the fact that the housing legislation we passed shortly before the recess contained within it a proposal to assist home ownership, and since there is a relatively small amount of money set aside for that purpose, can the minister, as a means of ensuring a greater flow of money into the construction of homes for people of average income, undertake to substantially increase the amount of money going into this aspect of the home ownership program?

Hon. Ron Basford (Minister of State for Urban Affairs): The assisted home ownership program would help those earning between $6,000 and $11,000 a year to purchase homes at rates which go down to 6 per cent. The sum of $134 million was set aside for this purpose and since the legislation only became operative for practical purposes in August, we have not nearly expended that $134 million. So at this point of time the question is hypothetical.

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[*Translation*]

AGRICULTURE

FEED GRAIN—REPRESENTATIONS BY QUEBEC UPA—MINISTER'S POSITION

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

Can he tell the House whether he has received a telegram from the Quebec FPV whereby this organization expresses its dissatisfaction with the results obtained to date by Quebec farm producers, following the implementation of the new policy on feed grains for 1973-74? If so, what was his reply?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): I have not seen any telegram from the organization the hon. member mentioned, but I do know I was requested to meet this group of people.

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GOVERNMENT ADMINISTRATION

REQUEST FOR MEANS OF TESTING CONFIDENCE IN GOVERNMENT

Mr. James A. McGrath (St. John's East): A supplementary to the Prime Minister. In view of the fact that the statement the right hon. gentleman made today meets only two of the four conditions set out by the leader of the New Democratic Party in his shopping list of August 21—I refer specifically to the failure of the government to meet the NDP demand with respect to the food prices review board, and interest rates—

Mr. Speaker: Order. Perhaps the hon. member has reached the point at which he will ask a question.

Mr. McGrath: I want to conclude by asking the Prime Minister whether he now intends to place a motion before the House to test its confidence in the government at this time.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): I am sure there are many ways in which the opposition can express its opposition to the government. There are bills before the House, and we shall be discussing them later. If the opposition wants to defeat them, it is perfectly free to do so.

* * *

FOOD PRICES REVIEW BOARD

SUGGESTED NEED FOR INCREASED POWERS—GOVERNMENT POSITION

Mr. David Lewis (York South): A question to the Prime Minister arising out of his earlier statement. The statement repeats the undertaking by the government that if the Food Prices Review Board can show that there have been abuses, the government will take action. In view of the fact that the board will need some time before it can make any report, and in view of the fact that legislation also takes time, may I ask the Prime Minister whether he would consider producing legislation to give the government or the board the powers that he thinks might be needed, in order that those powers might be available should the board find that they ought to be used?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. gentleman is to some extent asking the government to legislate with a hypothetical situation in mind. In so far as the Food Prices Review Board does respond to that hypothesis and go through the various stages which I mentioned in August—the stage of identifying cases of excessive prices increases, the stage of bringing the responsible people in, of giving publicity to those increases, of asking those concerned to roll back prices voluntarily, referring the matter to the government in the absence of such voluntary compliance, the possibility open to the government of using various non-legislative or administrative powers, powers it already possesses, in order to exercise moral or other suasion against such people—

Some hon. Members: Order.

Mr. Trudeau: I am saying there are a series of steps which are hypothetical, all of which the government is prepared to take, but we do not want at the present time to introduce the type of legislation to which the hon. member is referring. However, I repeat that if these various hypotheses materialise, or appear as though they are likely to materialise, I would convey the desire and the intention of the government to bring forward such legislation.

An hon. Member: Ten o'clock!

Mr. Lewis: Mr. Speaker, I often wish I could make a little speech on these questions such as the person replying is able to make. I will put it in terms of the time-honoured phrase "In view of". In view of the fact that there has already been factual information about changes in prices on the shelves which would clearly indicate excessive price increases, and in view of the fact that legislation which gives some power to roll back prices will frequently prevent something from happening, and having in mind the fact that this might easily have an influence on people to refrain from increasing prices unjustifiably, and in view of the fact that the Prime Minister—

• (1740)

Mr. Speaker: Order, please; I will recognize the hon. member. I am sure both the hon. member for York South and the Prime Minister will recognize that this is really a debate during the question period, and I would hope that questions can be asked in a more brief form.

Mr. Lewis: May I now put the question?

Mr. McGrath: Mr. Speaker, I merely rise on a point of order to suggest to you that this kind of business of the coalition might more appropriately be taken up in caucus.

Some hon. Members: Hear, hear!

Mr. Speaker: I suggest to hon. members that we are in a difficult situation in relation to time. Perhaps the hon. member for York South could now ask his question, to which there might be a brief answer, after which the Chair will recognize the right hon. member for Prince Albert.

Mr. Lewis: Mr. Speaker, based on the premise I suggested to the Prime Minister, I should like to ask whether he would want to reconsider his position and produce the necessary legislation to give the government or the board the power to control prices in given areas in order to avoid the difficulty that his own recitation has suggested?

Mr. Trudeau: Mr. Speaker, my recitation could be summed up by saying there are many measures which could be taken now, and indeed the fact that one such incident is before the courts for prosecution should be an indication to the hon. member that there is power to act and that action is being taken against those who use unfair practices.

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INDIAN AFFAIRS

INTERROGATION OF MEMBER CONCERNING MISSING FILE—INQUIRY AS TO MINISTER'S ACTIONS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question originates from the matter raised by the hon. member for Kingston and the Islands. Having been in this House for many years, it is my feeling that what was suggested by her today involves a most shocking matter. I would ask first the Minister of Indian Affairs and Northern Development whether he or his department made any complaint concerning this alleged document,

and did he make any suggestion as to who might be in possession of that document?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, my department did launch a complaint about the fact that some files had been stolen, but there was no indication as to where they were. I was as shocked as any other member of this House when I learned that the police had gone into the office of the hon. member.

INTERROGATION OF MEMBER CONCERNING MISSING FILE—INQUIRY AS TO AUTHORITY UNDER WHICH ROYAL CANADIAN MOUNTED POLICE ACTED

Right Hon. J. G. Diefenbaker (Prince Albert): I should like to ask a supplementary question of the Solicitor General. Were the RCMP acting under a search warrant, was that search warrant directed toward a member of the House of Commons, or were they acting under the tyrannical powers of—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I should like to bring to the attention of hon. members of the House that earlier this afternoon this very matter was referred to the Committee on Privileges and Elections. The very point which is being made in the question asked by the right hon. member is a matter which is in essence covered by the motion moved by the hon. member for Kingston and the Islands, and I would hope that matter can be considered by the committee very soon to the satisfaction of hon. members.

Mr. Diefenbaker: With great deference, Mr. Speaker, what will be considered is whether what was done was a breach of privilege of a member of this House, rather than the question I am asking. I should like very much to know whether we have "Watergate's" in our midst.

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): You ought to know.

Mr. Diefenbaker: Mr. Speaker, will the individual who made that intervention identify himself? Is he cowardly enough to make it without standing up?

Mr. Speaker: Order, please.

Mr. Guay (St. Boniface): Mr. Speaker, I will identify myself. I was the one who said "You ought to know". I said that, Mr. Speaker.

Mr. Diefenbaker: Mr. Speaker, all I can say is that normally the hon. member is known for his wit, but this despicable suggestion I throw back in his teeth.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I understand the hon. member for St. Boniface wishes to rise on a question of privilege, but it seems to me again that we are not achieving very much by this kind of exchange.

I would remind hon. members that the situation which formed the basis of the questions asked by the right hon. gentleman was the subject that was referred to a committee of this House by unanimous consent. I would hope that this matter can be dealt with expeditiously by the committee. Unless there is a general wish to pursue the matter I do not think very much can be gained by continuing this exchange, particularly in view of the fact that we have only 12 minutes left before we call it six o'clock. For the moment, the Chair will recognize the hon. member for St. Boniface on a question of privilege.

Mr. Guay (St. Boniface): Mr. Speaker, I just want to say that, in view of the seniority of the right hon. gentleman in this House, I would refrain at this time from making any further remarks and will co-operate with the Chair.

Mr. Diefenbaker: That is even worse than the other remark.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I certainly do not wish to prevent the right hon. gentleman from rising if he has a question of privilege, but obviously we are not getting anywhere or achieving very much by this needless exchange between the hon. member for St. Boniface and the right hon. gentleman. I would hope that we could get on with the business of the House.

Mr. Diefenbaker: Mr. Speaker, with great respect, the hon. member made an innuendo.

An hon. Member: So did you.

Mr. Diefenbaker: I do not think he intended to do so. What I think he intended was a smart-aleck remark, but I do say to him that any suggestion along the lines he has made is a despicable falsehood.

Mr. Trudeau: You suggested it yourself.

Mr. Diefenbaker: The Prime Minister speaks now, and I suppose he would use profanity under the circumstances.

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LABOUR CONDITIONS

VANCOUVER—ALLEGED FAILURE OF SOME RAILWAY EMPLOYEES TO RETURN TO WORK—EFFECT ON MOVEMENT OF TRAINS—GOVERNMENT POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Minister of Labour. We have heard continuing reports throughout today that at least one union is holding up rail traffic in the city of Vancouver. Can the minister advise the House what the present situation is and whether trains are still not moving in the Vancouver area, as well as the steps the minister is taking in an attempt to remedy that situation today?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, my officials are advising me constantly about the status of the situation in the city of Vancouver, to which the hon. member has referred, as well as in respect of one or two other cities. The reports I am receiving are to the

effect that the situation may rectify itself before the end of the day.

Mr. Fraser: Mr. Speaker, I have a very short supplementary question. Would the minister tell the House whether any trains are moving in and out of Vancouver at this time or is this situation restricted to the trains of only one railway company?

Mr. Munro (Hamilton East): Mr. Speaker, I do not think the matter of trains moving in and out of Vancouver has as yet assumed that degree of importance. The fact of the matter is that over the weekend most of the activity necessary related to the assembly of railway cars for movement to Vancouver, and that was being done in the mid-western provinces.

EFFECT OF FAILURE OF RAILWAY EMPLOYEES TO RETURN TO WORK ON FEED GRAIN SHIPMENTS TO BRITISH COLUMBIA—GOVERNMENT ACTION

Mr. Donald Munro (Esquimalt-Saanich): Mr. Speaker, my question is supplementary to that addressed to the Minister of Labour. In view of the fact that the railway strike is not fully settled, as was so confidently announced by the right hon. Prime Minister, and that most employees have not returned to work, what steps is the government proposing to take to ensure that feed grains, for both human and animal consumption, will reach points throughout British Columbia, particularly Vancouver Island, in the quantities required?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I should not want my previous answer to mislead the hon. member into exaggerating the situation. I believe the strike is settled for all intents and purposes, and, judging from historical comparisons, things are settling in very well. I believe the union leadership and the railway companies should be complimented by all members of this House for the degree of responsibility they have shown. The fact of the matter is that this situation has not had any serious repercussions at the moment because almost all the activity in terms of the movement of grain involves the railways getting under way by the assembling of the cars in the western prairie provinces.

* * *

● (1750)

[*Translation*]

ENERGY

INQUIRY RESPECTING SUPPLY OF HEATING OIL FOR EASTERN CANADA—MINISTER'S POSITION

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

In view of the announcement made earlier by the Right Honourable Prime Minister concerning the transportation of Western oil products to Eastern Canada, could the Minister of Energy, Mines and Resources assure the House that these measures can be applied soon enough to provide the population with sufficient heating fuel at a reasonable price to meet next winter's demand in Eastern Canada?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should point out that the measures suggested this afternoon by the Right Honourable Prime Minister do not apply directly to the problem referred to by the hon. member, but rather to the construction of a pipeline from Toronto to Montreal. However, I should add that my department, the National Energy Board and myself are doing everything in our power to provide an adequate supply of oil, and especially of heating fuel, for our population next winter.

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SOCIAL SECURITY

NUMBER OF PERSONS BETWEEN 60 TO 65 INELIGIBLE FOR OLD AGE PENSION—STATUS OF DISCUSSION ON GUARANTEED MINIMUM INCOME

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the Prime Minister concerning the cost of living.

Since most senior citizens do not receive any pay or dividend on investments which would enable them to face inflation, has the Prime Minister ordered any study on the number of people aged 60 to 65 who are not yet eligible for the old age security pension but who would need to get from the government a fixed monthly income until a guaranteed minimum income plan is implemented?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, personally, I have not ordered such studies, but the matter has of course been discussed by the Minister of National Health and Welfare, other colleagues and myself, and if the hon. member would refer to statements made by the minister on this subject, he will then see what the government's position is.

Mr. Wagner: Mr. Speaker, I should like to put a supplementary question.

[*English*]

Mr. Speaker: I would hope there would be as few supplementaries as possible because there are only five minutes left before I call it six o'clock, although of course hon. members may wish to conclude the question period before we rise for dinner. For the moment, the Chair will recognize the hon. member for Saint-Hyacinthe for a supplementary, and then the hon. member for Saskatoon-Biggar who has a supplementary to the previous question.

[*Translation*]

Mr. Wagner: Mr. Speaker, I should like to direct a supplementary question to the Prime Minister.

Could he inform the House what progress is being made about the guaranteed minimum income, and to what extent this study takes into account the very serious problem of the cost of living?

Mr. Trudeau: Mr. Speaker, there again, if the hon. member would refer to the documents published by the

Minister of National Health and Welfare last spring, he would know how the government deals with this proposal and other similar ones.

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[*English*]

LABOUR CONDITIONS

THUNDER BAY—EFFECT OF FAILURE OF RAILWAY EMPLOYEES TO RETURN TO WORK ON MOVEMENT OF FREIGHT TRAINS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in view of the fact that it is also reported that pickets are still active at Thunder Bay I should like to ask the Minister of Labour whether freight trains are being assembled and moving cargo either east or west at this time.

Hon. John C. Munro (Minister of Labour): I am not aware of any movement in or out of Thunder Bay at the moment.

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THE CANADIAN ECONOMY

INQUIRY AS TO WHETHER MEASURES ANNOUNCED BY PRIME MINISTER TO COMBAT INFLATION CONSTITUTE GOVERNMENT'S CONTINGENCY PLAN

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question which is supplementary to the original trend of questions directed to the Prime Minister. Does the program announced by the Prime Minister today with regard to inflation constitute the so-called contingency plan which the government was holding under wraps until the situation with regard to cost of living got serious enough to justify bringing it forward?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, at the time I referred to a contingency plan this was not the particular one to which I was referring.

Some hon. Members: Oh, oh!

* * *

INDIAN AFFAIRS

YOUTH LIAISON PROGRAM—REQUEST FOR STATEMENT ON STATUS AND FUNDING

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is directed to the Minister of Indian Affairs. Could the minister advise the House of the present status of the Youth Liaison Program of his department and could he advise whether Treasury Board has approved or rejected the funding of that program.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the situation remains the same. The program is working out as expected. As far as the procedure mentioned by the hon. member is concerned, I shall inquire and report to him.

[*English*]

FINANCE

INTEREST RATES—REQUEST FOR STATEMENT BY MINISTER

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance. In view of the minister's statement last Friday that our short and medium-term interest rates are two to three points lower than those in the United States, would the minister inform the House how he reconciles his statement with our mortgage rate structure in this country where mortgages cannot be written for terms of longer than five years and yet we find that NHA rates in Canada are 9.5 per cent—

Mr. Speaker: Order, please. I suggest that a question asked in those terms is debate and is not in order.

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ENERGY

SUGGESTED CONSTRUCTION OF OIL PIPELINE TO MONTREAL—CONSULTATION WITH PROVINCES

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources and refers to the statement of the Prime Minister. In view of the announcement of the Prime Minister that the government intends to build an oil pipeline to Montreal, has the government consulted the provinces of Quebec, Ontario and Alberta in relation to the complexities and problems about volume, supply, markets and price?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in the discussions we have had with all the relevant provinces, as a result of the energy analysis, we broached with them among other things the security of supply problem for the eastern Canadian market and, particularly with the officials of the province of Quebec, considerations that might lead to the construction of the pipeline into Montreal. I should say that the particular problem that is contained in the Prime Minister's statement was, of course, not discussed although it was communicated to the relevant provinces before the statement was made in the House.

SUGGESTED CONSTRUCTION OF OIL PIPELINE FROM SAULT SAINTE MARIE TO MONTREAL—GOVERNMENT POSITION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): I have a supplementary, Mr. Speaker. My question is still for information. In the minister's answer earlier he mentioned the pipeline from Montreal to Toronto. Now, I am asking whether the plan to build a reversible pipeline through Sault Sainte Marie, the northern route to Montreal, is abandoned?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Sir, by no means. Obviously from a financial standpoint the continuation of the existing pipeline facilities from the Ontario market into Montreal

would be the cheapest although that would require some looping of the existing line. It does not rule out, however, the possibility that a northern tier line, if you like, might be added as an additional facility to western Canada.

Mr. Broadbent: Mr. Speaker, I rise on a point of order. About 17 minutes ago you indicated that you would recognize me for a supplementary on the important question of housing, and since it is almost six o'clock and it is an important matter I wonder whether that could be done?

Mr. Speaker: My understanding is that the question which the hon. member was going to ask was so important, along with others, that members would want to conclude the question period before we rise,—there are some 13 minutes or so left—otherwise we would have to continue the question period at eight o'clock. I am in the hands of the House in this regard.

Some hon. Members: Agreed.

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WELFARE

REQUEST FOR INCREASE IN FEDERAL AID TO PROVINCES UNDER CANADA ASSISTANCE PLAN

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact that families on low income with children are suffering especially from the high food prices, and in view of the fact that my leader pointed out earlier that some of the provinces cannot afford this cost-shared assistance, will the government now offer, under the Canada Assistance Plan, to pay the full cost of increased provincial or municipal food allowances to families on social assistance.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not agree with the premise of the hon. lady's leader that no province can afford this. It really depends where they put their priorities.

● (1800)

Mr. Lewis: You said some provinces can.

Mr. Trudeau: But, Mr. Speaker, the fact is that the government has acted to help all families with children by announcing legislation to effect an immediate increase to $12 of the payments under the present Family Allowances Act, lest some provinces not want to act along the Canada Assistance Plan lines that I suggested.

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[*Translation*]

ADMINISTRATION OF JUSTICE

REASONS FOR REFUSING RETRIAL TO YVES GEOFFROY

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to put a question to the hon. Minister of Justice.

Recently, the minister dismissed all prospects of a new trial in the case of Notary Geoffroy and I agree with him.

In view of the motives behind the minister's decision, motives of which the public is not aware, would the minister be willing to make them public or to explain why he would refuse to do so?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the statement indicating that a new trial had been refused indicated that this was done after a complete examination of the allegations which have been put forward as the basis for a new trial, and after the forming of a judgment which is properly that of the Minister of Justice that no special action of this sort was appropriate at this time.

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THE CANADIAN ECONOMY

INQUIRY AS TO GOVERNMENT PLANS TO DEAL WITH ECONOMIC SITUATION

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Prime Minister. In view of the lack in the Prime Minister's statement today of any real reference to a change in the economic policy, the fiscal policy, the monetary and especially the taxation policy, can the Prime Minister tell us if at this special session he has any plans for any other legislation, policy statements or announcements?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot give the hon. member an answer today.

* * *

GRAIN

AMOUNT OF INCREASE IN SUBSIDY—RELATIONSHIP TO PRICE OF BREAD

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the Prime Minister. Could he tell the House whether the $1.25 per bushel subsidy on wheat announced today is over and above the $1 per bushel previously announced by the minister in charge of the Canadian Wheat Board, or is the increase announced today 25 cents a bushel?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is the latter.

Mr. Towers: Can the Minister tell us how he relates 25 cents a bushel on wheat to 5 cents a loaf on bread?

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EXTERNAL AFFAIRS

MINISTERIAL DELEGATION TO JAPAN—REQUEST FOR ASSURANCE MEETING WILL BE RESCHEDULED

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is either for the Prime Minister or the Secretary of State for External Affairs. Could the House be advised whether or not the ministerial delegation to Japan will be proceed-

ing as scheduled and, if not, what alternative arrangements have been made?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, because of the importance of the matters that are now under discussion and the necessity for the presence of various key ministers, I asked the Japanese government to postpone the ministerial visit, to which they have agreed. I, personally, will be going at the request of the foreign minister.

An hon. Member: You are not a key minister?

Mr. Hellyer: Would the minister assure the House that in view of the importance to the Canadian economy of Japanese trade, both in so far as opportunities for our exporters are concerned and also in so far as the impact of Japanese buying on Canadian prices is concerned, that the full ministerial delegation meeting will be rescheduled at the earliest possible date?

Mr. Sharp: Yes, Mr. Speaker. The Japanese government is just as anxious as we are.

Mr. Speaker: Perhaps the hon. member for Oshawa-Whitby should put his question at this time, after which the Chair will recognize the hon. member for Annapolis Valley.

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HOUSING

ASSISTED HOME OWNERSHIP PROGRAM—REQUEST FOR ALLOCATION OF ADDITIONAL FUNDS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my supplementary question is directed to the Minister of State for Urban Affairs. Since the obvious explanation for the AHOP funds not being used up is that his own department has just completed the regulations making the criteria available to the public, and since this is the only program under which we give mortgage money to the average income people at rates between 6 per cent and 8 per cent, would the minister assure the House that he will take steps soon to get an increased budget allocation for funds for this program?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, during the course of September it is usual to review the CMHC budget to see what moneys have been taken up by the provinces and individuals under each program. That will be done to see what money can or should be moved around in the budget from one program to another. That will be done in this case in addition to the constant review of what action can be taken to deal with housing. We are obviously building houses in the country at record levels. Our problem is solely one of income distribution.

Mr. Speaker: Order, please.

[Mr. Hellyer.]

SOCIAL SECURITY

INCREASE IN OLD AGE PENSIONS—REQUEST FOR ESTIMATE OF COST

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Prime Minister and it is supplementary to others regarding his statement this afternoon. Could the Prime Minister advise what is the estimated cost of the pension changes that he has outlined to the House at the present rate of inflation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I gave some figures in my statement. I said that the increase would be from $100 to $105 and some cents on old age pensions and $170 to $179 on old age pensions, plus the guaranteed income supplement.

Mr. Nowlan: Could the Prime Minister give us the over-all total cost of pension changes if there is an estimate from the Treasury Board?

Mr. Trudeau: I believe it is less than $100 million, but I would not like to be tied down to that.

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THE CANADIAN ECONOMY

REQUEST FOR OUTLINE OF GOVERNMENT'S LEGISLATIVE PROPOSALS TO DEAL WITH INFLATION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is also for the Prime Minister. In the light of the fact that the Prime Minister indicated in his statement that he was anxious to have some parliamentary discussion of inflation in the economy, and further an indication from the Minister of Finance that he foresees no immediate budget proposals, I wonder under what particular parliamentary device the Prime Minister foresees such a discussion taking place and, further to that, I wonder how soon we can have an outline of the legislative proposals which the government will be putting forth in the coming days to deal with the underlying economic causes of inflation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure it would not be beyond the ingenuity of members of the House to express their views on inflation and the cost of living when they are debating the bills of which the government has given notice.

Mr. MacDonald (Egmont): I think the Prime Minister is well aware of the fact that the legislative provisions that are forecast here are mostly in the nature of assistance either under the family allowance program or old age assistance. Could the Prime Minister indicate in specific terms what the government has in mind by way of specific economic proposals with which this House can deal to get at some of the root causes of inflation?

[*Translation*]

FINANCE

THE EFFECTS OF THE SALES TAX ON BUILDING MATERIALS

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like to direct a question to the Prime Minister.

Would he tell us whether the 11 per cent sales tax on building materials has had any effects on the increase in the cost of living, and also on inflation?

Mr. Speaker: Order, please. I am under the impression that the hon. member is asking the Prime Minister to express an opinion.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

FRANK EVANS—REASONS FOR FAILURE TO SERVE SENTENCE

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question to the Solicitor General concerns the case of Frank Evans, convicted and sentenced some eight months ago to two years in a federal penitentiary. As this man is still at liberty, living in high fashion which includes several visits to racetracks and driving a Cadillac, can the minister advise the House whether the federal government will forthwith ensure that this man begins serving his sentence in a federal penitentiary?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, I am not familiar with that case, but I will check into it and report to the hon. member.

* * *

EXTERNAL AFFAIRS

INDIA-PAKISTAN AGREEMENT—SUGGESTED EXPRESSION OF GRATITUDE OF CANADIANS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. Has the minister extended to the parties concerned an expression of the gratification of the Canadian people and of many members of the House with regard to the Indo-Pakistan agreement of August 28, 1973 concerning the repatriation of Bangalees detained in Pakistan, Pakistanis stranded in Bangladesh, and Pakistani prisoners of war in Indo-Bangladesh custody? It is a great humanitarian achievement affecting the lives of many thousands of people and affecting the reconciliation of the Indian sub-continent.

Mr. Speaker: Order, please. Perhaps the minister might be allowed to reply to the hon. member's oration.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I share the views of the hon. gentleman on the Indo-Pakistan war, its consequences and the great change that has taken place in relatively few days in the attitude toward a settlement. I had an opportunity of expressing similar views to representatives of both these

countries urging them to this course of action, so I share his gratification personally.

* * *

• (1810)

AGRICULTURE

REQUEST FOR CONSIDERATION TO FARMERS WHO FEED THEIR OWN GRAIN TO LIVESTOCK

Mr. William C. Frank (Middlesex): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. In view of the uncertainty of the strength of the livestock market, is the minister giving any significant consideration to farmers who normally feed their own grain, giving them any immediate specific encouragement to feed their 1973 grain production, rather than cashing it in now, which would result in still higher costs of living to the Canadian consumer?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think the programs the Prime Minister announced, particularly concerning the meeting I will be having with my provincial counterparts later this month, will take all of these topics into consideration.

* * *

FINANCE

REQUEST FOR STATEMENT BY MINISTER ON EFFECTS ON INFLATION OF MONETARY, FISCAL AND EXCHANGE RATE POLICIES

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Minister of Finance. In view of the fact that the statement presented today by the Prime Minister said practically nothing at all about monetary policy, fiscal policy and exchange rate policy, which one would have thought would have been the foundation of any statement on inflation, would the Minister of Finance make a statement on how he feels these policies are affecting inflation in this country right now?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the Prime Minister suggested that an appropriate vehicle could be found for this type of debate, and I am ready and willing.

* * *

FOOD PRICES REVIEW BOARD

SUGGESTED CHANGE OF JURISDICTION TO COVER ALL PRICES—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to direct a question to the Prime Minister regarding his statement today. In view of the fact that the statement made no reference to extending the Food Prices Review Board into a general prices review board and that inflation affects many commodities, is the Prime Minister considering changing the Prices Review Board to one that would consider all prices, not just food prices?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government acted on the recommendation made to it by parliament last spring, and that recommendation did cover the area of food as opposed to others.

* * *

GRAIN

BARLEY—EFFECT OF INCREASED PRICE ON FEED LOT OPERATORS—SUGGESTED CONSULTATION WITH MANITOBA FEED GRAIN COMMISSION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I wish to direct a question to the minister in charge of the Canadian Wheat Board. As a result of the announced feed grain policy of the minister and the response of the Manitoba Feed Grain Commission in raising the price of barley to feed lot operators, so that many are considering reducing their operations or moving their feed lots across the border, would he consider consulting with the Manitoba minister of agriculture and the Manitoba Feed Grain Commission in order to resolve this serious matter?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have no present intention of meeting with the minister of agriculture for Manitoba. I think that the producers of animals in the prairie provinces should recognize that the return on animals should still be adequate, even with the higher feed grain prices. I certainly will be encouraging them to stay in production and to increase the production of animals.

Mr. Speaker: Perhaps the Chair may be allowed to recognize the hon. member for St. Paul's, and I believe the hon. member for Hamilton West has a quick supplementary, after which I will suggest to hon. members that we might return following the usual expiry of two hours, that is to say, at 8.15 p.m. Of course it is left up to hon. members to decide what they want to do.

* * *

COMBINES INVESTIGATION ACT

DATE OF INTRODUCTION OF AMENDMENT DEALING WITH MISLEADING ADVERTISING

Mr. Ron Atkey (St. Paul's): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Would the minister advise when he intends to introduce the amendments to the Combines Investigation Act or related legislation dealing with misleading advertising, which was referred to earlier today in the Prime Minister's statement?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): I hope this will be very soon, Mr. Speaker.

[Mr. Nystrom.]

ADMINISTRATION OF JUSTICE

FRANK EVANS—REASONS FOR FAILURE TO SERVE SENTENCE—CONSULTATION WITH PROVINCIAL AUTHORITIES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to ask a question supplementary to that asked by my colleague from Hamilton-Wentworth concerning Frank Evans. In the light of the fact that the minister and his department have indicated that they have no jurisdiction because the person sentenced never did reach Joyceville but was still in the custody of provincial authorities, will the minister take up the matter with his provincial counterpart so that he may apprise himself of all the facts in order to make a report to this House?

Hon. Warren Allmand (Solicitor General): Yes, Mr. Speaker.

Mr. Speaker: Now that hon. members have had time to digest the suggestion I made a moment ago that we return at 8.15 p.m., is this agreed?

Some hon. members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Before leaving the chair and if hon. members will allow me, I wish to bring to their attention the questions which will be considered at the time of adjournment tonight. They are: the hon. member for Vancouver South (Mr. Fraser)—Energy; the hon. member for Peel South (Mr. Blenkarn)—Urban Affairs; the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds)—Consumer Affairs.

[*Translation*]

It being after six o'clock, I do now leave the chair until 8.15 p.m.

At 6.15 p.m. the House took recess.

———

AFTER RECESS

The House resumed at 8.15 p.m.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

PROVISION FOR QUARTERLY ADJUSTMENT OF PENSION

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-219, to amend the Old Age Security Act, be read the second time and referred to a committee of the whole House.

He said: Mr. Speaker, I am proud to see that the first bill to come up for debate this week in the program which the Prime Minister (Mr. Trudeau) outlined this afternoon to protect the purchasing power of the Canadian consumer lies within my field of responsibility.

These measures will ensure that Canadians will continue to enjoy the standard of living that they should, one of the highest in the world. They will ensure that the recent unprecedented rise in food costs which has caught the world in its grip will not be allowed to erode the value of the dollars spent for necessities in our daily lives. In this program, Mr. Speaker, we are proposing measures to protect all sectors of our community, not just wage earners, not just pensioners, not just persons receiving social assistance and not just those faced with the increased costs of raising families.

Increased prices hit us all and must in turn be fought on a number of fronts. What we propose in this anti-inflation program is to act now to offset the immediate problem of food prices in particular while we continue to work for a reduction in the rate of inflation itself.

To date a number of measures have been presented which can deal with the longer term situation. I need not remind hon. members that in July I introduced a reform to the Family and Youth Allowances Acts which would almost triple the present payments to an average of $20 a month per child with provision for escalation in the future in response to increases in the consumer price index. Old age security and guaranteed income supplement payments are now escalated annually to reflect the full cost of living increase. Canada Pension Plan payments too will be fully escalated by changes in the price index beginning next January, subject to concurrence of the provinces as required by law. Pensions which the government of Canada pays to its retired employees will also be fully escalated.

It is fitting, therefore, and I might say in keeping with the tradition of Liberal governments, that we focus our attention first on those in our society who can least help themselves in the face of rapid price increases—that is, those on fixed incomes.

Canada has possibly the highest guaranteed income in the world for senior citizens. The basic benefit plus the supplement ensures that for each senior citizen there is a solid floor of guaranteed minimum income, over $2,000 in the case of a single pensioner and almost $4,000 in the case of a couple.

• (2020)

The greatest strides have been realized in a very short period of time. Just a decade ago, in 1963, the highest

payment an older Canadian could claim from the government as a right was $65 a month, less than $800 per year for a single person, and only $1,000 for a couple. Moreover, the benefit was not payable until age 70. By the way, this was after five or six years of Conservative government rule.

An hon. Member: How about "six buck Harris"?

Mr. Lalonde: I will come to that. Since that time the benefit has risen to a maximum of over $170 per month in the case of a single person, and $325 per month for a couple, almost triple the former amount.

Mr. Fraser: Is it enough?

Mr. Lalonde: In fact, the maximum amount to which a single pensioner is now entitled is one third higher than the former maximum for a couple. In addition, it is now guaranteed five years earlier, at age 65.

I have been asked, is it enough? One thing is certain. If we had to rely on the Conservative government to improve the situation, we would have had to wait another 100 years, if we judge by the record. Let us look at it another way. In the seven years of Conservative government—

Mr. Woolliams: You were not here then.

Mr. Fairweather: You were one of the party men.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The minister of National Health and Welfare has the floor.

Mr. Lalonde: Mr. Speaker, I think someone is telling me that I was in the party opposite at the time. That was my problem. I left the party because they would not take my advice.

Mr. Bell: Who said you were in?

Mr. Lalonde: Let us return to the facts. It seems that they hurt those on the other side. In the seven years of Conservative government from 1957 to 1963—

Mr. Fraser: On a point of order, Mr. Speaker, the Liberal party has been the government since 1963, and if the best they can do is talk about what happened over a decade ago it shows clearly they have nothing of merit to say about the needs of today.

Mr. Deputy Speaker: Order, please. That point could be made after the minister has concluded his remarks. The Minister of National Health and Welfare has the floor.

Mr. Lalonde: It is strange, but the Conservatives do not want to hear about the great things they did in their time of power, Mr. Speaker. In the seven years of Conservative government from 1957 to 1963 the maximum pension went up by only $19 per month, less than $3 per month in each of the seven years on an average. That is not a great achievement. In the seven years which will soon have elapsed since January 1, 1967—and I wish to compare those seven years of Conservative rule with the past seven years we have spent under a Liberal government—the

Liberals have increased the maximum by more than $100 per month. Compare that figure with the 19 measly dollars that the Conservatives paid out from 1957 to 1963.

Mr. Baker: Tell us about the cost of living.

Mr. Lalonde: In the same period, total expenditure on old age pensions has risen from about $1 billion to approximately $3 billion a year, with an increase in the number of persons benefitting from the plan from 1.2 million in 1967 to the present figure of 1.8 million, owing mainly to the lowering of the qualifying age to 65. And on top of this, one must add the pensions paid under the Canada Pension Plan and Quebec Pension Plan, another milestone in the provision of income security for retired persons introduced by the government of Lester B. Pearson.

If we compare the amount that a low-income couple aged 65 and over can obtain to the amount that a low-income couple under the age 65 receives under the provincial social assistance, we find that the maximum attainable for senior citizens is almost $4,000. Social assistance rates, however, range from a low of $2,000 to a high of $3,000 for a couple across Canada. In fact, the rate for a couple on full old age security is greater than the social assistance rate for a couple with one child in every province and the rate for a couple with two children in six of the ten provinces. This disparity is of very great concern to all of my provincial colleagues, and is one which is now being worked on.

One must not forget at this time that in addition to increasing the monetary benefits for our senior citizens, the budget brought down by my colleague the Minister of Finance (Mr. Turner) in February of this year increased the basic single exemption from $1,500 to $1,600 and the married rate from $2,850 to $3,000—this in addition to an exemption for senior citizens which now stands at $1,000 and which may be claimed whether or not the person is receiving the old age pension. At the same time the Minister of Finance reduced the basic federal tax by 5 per cent, a reduction which will result in decreases of between $100 and $500 in the basic federal tax payable.

Thus the Liberals have long demonstrated their commitment to the financial security of our older citizens. We have no wish to see that commitment eroded by forces beyond their control as we continue the fight to bring inflation under control.

Mr. Caouette (Témiscamingue): On a point of order, Mr. Speaker, the minister has just made a pure political campaign speech. He should tell us when the election is going to take place or admit that his speech is taken from Social Credit speeches of the last election.

Mr. Deputy Speaker: Order, please. I think the hon. member is anticipating a point he might like to advance in the debate at some stage of our discussion, but I do not think that the intervention just made properly falls under the heading of a point of order.

Mr. Lalonde: Mr. Speaker, I am very flattered by the compliment paid to me by the hon. member for Témiscamingue (Mr. Caouette) and, if this is a political speech, in which I am only reciting facts, I suggest that it redounds very highly to the credit of the present Liberal government and the previous one.

● (2030)

As far as the introduction of a political element into a speech is concerned, let me say I would never even try to compete with the hon. member for Témiscamingue (Mr. Caouette).

An hon. Member: You couldn't!

Mr. Lalonde: It is to underline our commitment, therefore, that we bring forward the present bill at this time as one facet of our attack on inflation and its effects on Canadian consumers. This is not to make false claims that the bill represents a solution to the problems of inflation. I leave the field of panaceas to the Official Opposition.

I must say, Mr. Speaker, that supporters of the party opposite remind me a great deal these days of the magic men from the travelling medicine shows, peddling the same thin sugar and water concoction as a cure for everything that ails us. Realism dictates otherwise. We are faced with extraordinary conditions caused by a situation which is world-wide, and a response on many levels is required to offset the immediate effect of food price increases while we continue to deal with the longer term problem. No amount of Tory hocus pocus will make it go away. What is required is an attack on the immediate concerns coupled with long term measures to get at the universal roots of inflation. The government has today put forward such a program.

[*Translation*]

The excessive increase in the cost of living results in increasingly pressing needs which are a cause of daily concern. The proof of this is the number of persons of 65 and over with incomes so low that they must claim the guaranteed income supplement; 32 per cent of our older citizens receive a partial supplement under the guaranteed income supplement and 26 per cent receive the full supplement, which means that almost 60 per cent of pensioners under the old age security plan are in receipt of a supplement. When the cost of living increases and there is no income adjustment, all those with low incomes must greatly deprive themselves, and such a situation is unfair.

This is all the more obvious when it comes to food prices. While it is true that a family budget includes a certain number of fixed expenses, food costs on the other hand vary substantially. Consequently, when people are hard up, they generally cut down on the food budget. When food prices start climbing suddenly, as is the case at present throughout the world, the impact is particularly rough. According to statistics on family expenditures in Canada, a family with four children and an income of $10,000 spends 16 per cent of it on food. Another family of the same size but with an income of $4,000 spends nearly 28 per cent of it on food. Evidently, an increase of 20 per cent in food costs over a period of 18 months, as we have known, hits the low-income family twice as hard as the high-income one.

Besides, Mr. Speaker, that is another reason why the Canadian government assumes 50 per cent of the costs paid by the provinces to increase social welfare benefits as compensation for the present increase in food costs.

Through this provision, although social welfare services are a provincial responsibility, the federal government commits itself to share 50 per cent of the costs involved in giving financial assistance to the needy. In this connection, I was particularly pleased to hear that Ontario and Quebec, for instance, shortly after the statement of the right hon. Prime Minister (Mr. Trudeau) on August 13 last, announced a 5 per cent increase in social welfare benefits, in addition to previous increases granted since the beginning of the year. I have every reason to believe that the provincial governments will study the situation in their turn in order to find a solution to the problems of people on welfare.

This having been said, Mr. Speaker, it is that much easier for us to estimate the importance of the problem of those who live on a fixed income. Indeed, we have put Bill C-219 before the House today to reduce somewhat the economic constraints on those persons.

This bill proposes that, as of October 1973, the benefits paid under the old age income security and guaranteed minimum supplement plans be increased by 5.3 per cent of the rates now in force. This represents a minimum increase of $5.30 per month for single persons who do not receive the guaranteed income supplement and a maximum of $17.20 for married couples when both spouses are entitled to the pension and the supplement. This means that the basic pension will be upped to $105.30. The maximum supplement for a single person will be increased from $170 to $179.16, and for a couple from $324.60 to $341.80. This reevaluation takes into account the increase in the cost of living during the period from October 1972 to July 1973, compared with the ten preceding months. Among other things, the bill proposes that during the three month period beginning in January 1974 and all subsequent quarters, the old age security and guaranteed income benefits will be adjusted, with a two months' delay to the price increase registered on the official price index of the preceding quarter.

I will explain. The rates of benefits which will be paid in January 1974 are calculated by multiplying the rates in effect during the month of October 1973 by the proportional ratio between the average of the official Consumer Price Index for the period from August 1973 to October 1973 and the average of the official Consumer Price Index registered for the 1973 May-July quarter. The two months' delay is provided so that, on one hand, we may obtain from Statistics Canada all the necessary data on the fluctuations of the Price Index and on the other hand, we may take administrative action intended to insure the payments in accordance with the increase in the rates of both the old age security and the guaranteed income supplement plans.

I should say here of course that this bill provides that the pension will not decrease in case there is a decrease in the consumer prices in one quarter in relation to the preceding quarter.

Mr. Speaker, I would now like to speak on the matter of the increase in benefits. It is not the first time that we have thought of adjusting pensions, at least among the Liberals. The government of the late right honourable Pearson government took this measure for the old age security and the Canada pension plan as early as January 1968. I should say that I was flabbergasted to find out during the last election campaign that a number of Conservatives were suggesting a most original idea that of adjusting pensions on the cost of living, totally ignoring the fact that the government had already done so six months previously.

[*English*]

Some hon. Members: Oh!

An hon. Member: That's not so.

Mr. Stanfield: A fraud!

Mr. Lalonde: Some hon. members seem to doubt that fact. I will send them the press clippings from the last campaign and they will be able to see for themselves in writing.

[*Translation*]

And I was also surprised to hear last week for the umpteenth time on the CBC news that the government would soon gear pensions to the cost of living. I must say that never one of our decisions got such publicity, and I thank our sponsors wholeheartedly.

As I was saying, Mr. Speaker, old age security pensions were raised since January 1968, although at that time a 2 per cent ceiling was imposed on old age security pensions and guaranteed income supplement. Calculations and ajustments were thus comparatively easy. In spite of a change in the number of pensioners each year and of a new yearly calculation of the guaranteed income supplement, benefits, the 2 per cent maximum still applied. But when, at the beginning of 1972, the government removed the ceiling gearing the old age security pension and the guaranteed income supplement to the increase in the cost of living, the payment of a pension to some 1,800,000 Canadians became subject to another variable. However, the difficulty was not impossible to overcome. It is clear that by adopting a new formula like a full escalation in relation to the cost of living, one cannot and, in fact, one must not expect the system to work perfectly. We must devise a viable system which can be adapted, and attempt first of all to define a firm and broad basis to which further adjustments and improvements will be made.

This is what we tried to do when we removed last year the ceiling on the increase.

Today we propose another improvement.

● (2040)

[*English*]

Under the present law, as I am sure all hon. members are aware, escalation is made on an annual basis with payment in April of each year. This has meant that there is a six-month time lag between increases in the cost of living and adjustment of pensions benefits to reflect that increase. This allows us to obtain the consumer price index figures and apply the increase factor to 1.8 million cheques, which can vary from the basic single pension to the full OAS-GIS payment for a couple, and any amount in between.

We were not convinced that six months was the minimum time to which we could reduce the computation of

changes and printing of amended cheques under the new system. However, at the time of raising the basic pension to $100 in April of this year we were not in a position to reduce that time lag. Since that time, however, we have been determined to find ways to overcome this delay while still maintaining the efficiency and accuracy of our administration. This bill, Mr. Speaker, is a measure of our success.

I am proud to say that we have been able to reduce the processing time to two months from receipt of the consumer price index figures. This means the recalculation, printing and forwarding of cheques to 1.8 million Canadians is completed in just over 40 working days. I cannot imagine even the official opposition being unrealistic enough to suggest that it could be reduced to a monthly basis and remain efficient.

I noticed this afternoon that the Leader of the Opposition (Mr. Stanfield) suggested that the Prime Minister (Mr. Trudeau) and myself had opposed this idea. I can only refer him to the debates of the committee on March 13 last when this question was considered, and I was impressed by the remarks on this matter by the very able hon. member for York South—I mean York Centre (Mr. Walker).

Some hon. Members: Oh, oh!

Mr. Lalonde: I would say both are equally able, but at this time it was the hon. member for York Centre. We made it quite clear that we had tried to escalate this and that we might be able to come up with something, but that I could not be too hopeful. I said that it would be possible to escalate it twice a year, or possibly every three months; but that every time we do we would increase the cost of administration. We had estimated this would add about $2 million to the cost, and I pointed out that money spent on the cost of administration would not go to our senior citizens. I leave it to the Leader of the Opposition to refer to the context of those remarks.

Needless to say the administrative difficulties resulting from a change to quarterly escalation are considerable, but I am confident that we can continue to function efficiently for the benefit of our senior citizens.

Mr. Deputy Speaker: Is the hon. member for Ottawa West (Mr. Reilly) rising on a point of order?

Mr. Reilly: Mr. Speaker, I merely wonder whether the minister would permit a couple of questions.

Mr. Lalonde: I only require another minute to conclude my remarks, Mr. Speaker, after which I would be pleased to answer a question if the hon. member wishes to ask one.

As it is, this change will add between $1.5 million and $2 million to the cost of administering the program. I would much prefer to devote funds to benefits paid out rather than to administrative purposes, but there comes a time when such a measure is the only acceptable solution to a current problem, and I am afraid this is the case today.

Lest anyone be cynical enough to suggest that this is merely a bookkeeping exercise, I should like to point out that this change in procedure represents a significant additional financial allocation on the part of the government for the benefit of our senior citizens. In the current fiscal year, for example, it will mean increased benefits for them of over $90 million. This increases our financial commitment to old age security to over $3 billion. I know the Canadian people would expect us to do no less.

This is one of the measures we propose on behalf of the Canadian consumer in response to the present inflationary cycle we now face. As part of our program to counteract the decreasing power of the consumer's dollar, it will ensure that those who must depend on fixed incomes do not lag behind in our society. Those who have contributed so much, and are still contributing to what Canada is today must be maintained in dignity. I would urge all hon. members to join me in seeking to expedite passage of this bill for that very purpose.

Some hon. Members: Hear, hear!

Mr. Reilly: Mr. Speaker, I should like to ask the minister, who has delivered, if not a totally impartial, certainly a vigorous apology for his government's record in the field of old age pensions, whether he will concede that in the last 10 years the value of the dollar has decreased by 50 per cent, during which period his government has had custody of our circumstances?

Secondly, I should like to ask him whether he considers that here in the city of Ottawa, which is by no means the most expensive place in the country to live, a couple can live in dignity on $341.80 per month?

Mr. Lalonde: On the first point, Mr. Speaker, we have examined this matter of the increase in the cost of living over the last while, and the indication is quite clear that the increases to old age pensions, brought about mainly by Liberal governments, have been greater than the increases in the cost of living during the same period. This is something of which we can be reasonably proud, and I think it is something which certainly shows that we have been very much concerned about the welfare of our senior citizens.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I welcome this legislation but I do not suggest to the minister that we are dancing in the streets over the magnanimity he has displayed tonight. I listened with great pleasure to the presentation of the minister because in all my years here I have never heard such a modest proposal receive such an immodest introduction.

● (2050)

It reminds me of a story a former premier of Prince Edward Island used to tell about a farmer who had some difficulty getting one of his cows across a bridge. He tried to draw the cow from the front and push her from the rear and cajole her into moving across, but she would not go. Finally, another farmer came down the highway and said: "Let us scare her over". So he got behind her and blew the horn of his truck. The cow jumped over the bridge and into the river, whereupon the first farmer said: "That was a hell of big toot for such a small cow".

How could the minister take such a long bow for such a bit part? The minister once again found it impossible to resist the temptation of partisanship. After the first

speech he made here I advised him that this was not a good thing. I sent his speech to hundreds of thousands of Canadians and I feel my party received at least 75,000 potential votes for the next election as a result. I am going to send this speech of his out tomorrow.

Such partisanship has made enemies for the government which the minister has recently joined. I first met the minister in the great city of Fredericton in 1963 at a thinker's conference sponsored by the Progressive Conservative Party. At that time he made an excellent speech, learned, thoughtful and modest. We have heard a lot tonight about what is going to be done. I was impressed that the minister should mention the family allowances tonight and that we are to have a change; it is not going up, it is going down. Why? He did not tell us that.

We are also told again that there will be discussions about the Canada Pension Plan. Did it not occur to the minister before this that some amelioration might have been made, and did he not think of discussing this with the provincial ministers, his counterparts, before this? I fear that the minister spends too much time comparing Grits and Tories and adding up the facts, as he calls them, and too little time on proper consultation that would make for a better discharge of his duties.

This legislation tonight demonstrates several things. As I and other members of this House told the minister when he brought about the increase in the old age security, it is not enough. It has proven to be not enough at the present time. It also indicates that the galloping inflation is going so fast that we must jack it up every three months now instead of once a year. That is a fact of life. But he does not learn the facts of life. He likes to compute what went on over the past.

If he wants some computations and compilations he may recall that had the original pension as it stood in 1963 kept abreast merely in purchasing power it would now be $107.50, without any increase at all, maintaining the original purchasing power that it had on that dreary day when his party took over the reins of office in this country. The bill demonstrates something else. The people on fixed incomes, especially the older people, have been bearing too much of the burden of inflation which this government has allowed to get out of hand lo these many months.

Most significantly of all this measure, puny though it is, demonstrates and underlines and underscores that we have in Canada today a grave economic situation, and that in the face of that we have the government piddling. We are not dealing with the issues. We are not getting the economy straightened out. We are not bringing prosperity to the land. We are not controlling inflation. So we seek by bits and pieces and by transfers of income to tinker and gear up in a short-range way instead of tackling the problem.

The economy is sick; that is the problem. We pretty well recognize in this legislation that inflation has now become a way of life. I suppose that during the life of the government—if I may use that word a bit loosely—we will have eternal inflation. So we need to take these temporizing, band-aid measures such as the one before us. I intend to support this measure as I supported it when the Leader of the Opposition (Mr. Stanfield) first suggested it several months ago.

At that time the minister described the suggestion as a nightmare. That was the word he used. He said the administrative cost would be enormous and that they could not cope with it. Tonight he made that Freudian slip about which part of York was which and told us of his answer in March. I will repeat to him what he said on May 22 when an even more able colleague from Fraser Valley East (Mr. Patterson) asked him about this. He said in the committee on May 22:

> We have come to the conclusion that the costs of adjustments on a quarterly basis, for instance, imply a large administrative load and large administrative costs relative to the benefits that are really being given out.

An hon. Member: Shame.

Mr. Macquarrie: So the nightmare of yesterday has become the glory of today. The minister talks a lot about visiting the provincial capitals for consultation. I think he has been somewhere else. He has been to Damascus lately too. Tonight we see that the stone which the builder rejected a few months ago has now become the cornerstone of the temple. But considering the ersatz temple of ad hockery being feverishly constructed by this government, I suppose we need not be surprised at such snatchings and graspings from the platforms of other parties. Indeed sometimes the more our policies are derided the more quickly they are snatched away. Imitation is the sincerest form of flattery and plagiarism implies certain value judgments. I suppose it is better to be right in the end than never right at all. It is well he went to Fredericton because he has made a belated judgment on a limited aspect of the suggestions of our party. He talked of the medicines we have put on display. He should analyze them pretty carefully because he is likely to be swallowing some of them, as he has demonstrated tonight.

The minister flatters us by taking our policies, but I would like him to do a little more and to note that we are a dynamic party and tend to keep abreast of developments. While we continue to suggest this, if he were listening carefully a short while ago he would have known that we had advised a degree of retroactivity on this. Had he listened a little more carefully, he would have brought forth a measure that would have put July there instead of October.

• (2100)

Some hon. Members: Hear, hear!

Mr. Macquarrie: If he has had such a tremendous transformation of his department that he can do with great dispatch what was an impossible nightmare in March and May, surely there would be no great difficulty in gearing this measure to July instead of October. Because, God knows, there were plenty of price increases from July to the present day, and there will be plenty from July to October. Let the old people of Canada who bear the burden of these price increases in the long hot summer of Liberalism get a little more benefit out of this. That is the suggestion we made to him and he should have paid attention to it. It could have been July as easily as October.

I say to him also that he wants to take careful note of the many people in the country who may not benefit from this. He did not discuss the war veterans. What does this

mean when they get an addition in one part of the pension and have it taken away in another? These are the sort of things that have to be considered.

If I were as partisan as the minister I could spend the next little while telling him some of the facts of recorded history—the high and low days of historic Liberalism or hysteric Liberalism. I also want to make a few comments and to suggest how he may improve this piece of legislation. I have given him a suggestion about retroactivity which I am sure will commend itself to the people of Canada, and since he wants to serve them will commend itself to him.

I would say that instead of the formula he uses it might be more meaningful and more helpful to the people whom he mentioned if we used the index in reference to the food, clothing and housing component rather than the statistical formula he mentioned. Because it is in this area that the burden of the increased cost is most painful to the senior citizens of the country. I suggest that this would have been a far better way to improve the situation.

There is nothing much to be gained by suggesting who thought of what first. I have no need to apologize for my role in public life and my concern for the senior citizens in those days when the minister was in the cabinet room but not in the cabinet perhaps—near the seats of the mighty but perhaps not in one of them. Nor do I have to apologize for my party. I think the older people of this country must be heartily sick and tired of having their needs and their sufferings paraded out for political purposes time and time again. I have no intention of going into the auction room and dragging the old political shibboleths out in an appeal for the vote of the older people. I will trust them as well as the middle aged and the young people of this country to make their judgment on to whom to turn if they want an efficient administration, if they want economic know how and if they want some compassion in the governing circles of this land.

On that I will rest my case. I would also suggest, if it finds agreement in other parts of the House, as it has been mentioned in part earlier by the House leader of our party, that we are prepared to allow my golden words to serve for my glorious party. We can then go into committee of the whole, pass this measure and get the pensions out into the hands of the old people as fast as possible. That is what we are interested in. Then perhaps we can get on to something fundamental, some significant legislation in the long delayed fight against inflation in this country.

Mr. Reilly: I rise on a point of order, Mr. Speaker. I asked the minister two questions. He did not answer the second question. There is in fact some dispute among us on this side of the House about whether he answered the first, but I will not go into that. I asked him whether he personally believed that it was possible for a couple of old people to live in dignity on $341.78. I would like a yes or no to that.

Mr. Deputy Speaker: Order, please. I heard the question originally and perhaps it was not answered. It is a question that is really not a point of order but more a point of debate and could be asked when later the House composes itself into committee of the whole, where every hon. member would have an opportunity to ask questions of the minister, including the hon. member who has just raised this point.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the bill before us tonight, like so many bills brought in by Liberal governments, does not go far enough and does not come to grips with the real issue, and yet it does enough that this House will be anxious to get it passed as quickly as possible in order that the pension increase provided for October will come into effect at that time.

In speaking tonight the minister struck me as trying to expiate one of his sins, that of having spent a few years working for the Tory party. But I do not see why he needed to take it out on us or on the senior citizens of Canada who regard this legislation as extremely important. Now that the minister is an ex-Tory and has become a Liberal—

Mr. Stanfield: And God knows what he will be tomorrow.

Mr. Knowles (Winnipeg North Centre): —he delivered himself tonight of the remark that the bringing in of this bill is in keeping with the traditions of Liberal governments. I want to tell the minister that I agree with him, for the fact is that for 50 years it has been the tradition of Liberal governments, so far as old age pensioners are concerned, only to act when those governments are pushed to the wall.

● (2110)

We got the first old age pension in this country—yes, introduced by a Liberal government—because my predecessor, the late J. S. Woodsworth, in a parliament where the government was in a minority position, was able to use the support he had from a few others to force that first pension out of the Liberal government of that day. As hon. members know, because it is a story that has been told in this House many times, that was a pension of $20 a month payable at age 70, with a means test as long as your arm.

This place is not one in which there is any rule which says we must be modest. Therefore I am not going to worry about any such rule in what I say in the next minutes or so. That pension of $20 a month at age 70, with its vicious means test, stayed that way until I came to this place as a result of a by-election in 1942.

I am not going to be modest. I am going to take some of the credit for starting right in to try to carry on where J. S. Woodsworth had left off. By the summer of 1943, the first year I was here, we had got the first increase from $20 up to $25 per month. But that was not because the Liberals were that concerned about old age pensioners. It was because of the pressure we were able to exert here on the floor of the House of Commons, backed by the pressure and support we were getting from some of the provincial governments.

The Liberals can stand, as they do in pension debate after pension debate, and tell us the number of times they have improved the pension, and tell us by how many dollars they have increased the pension compared with the number of dollars by which the pension was increased when the Tories were in power. But the fact is that every

one of those increases, from $20 to $25, to $30, to $40, to $46, to $55, to $65, to $75, to $79.58, to $80, to $82.88 and to $100 came as a result of pressure on the floor of this House, mostly from us, and not because there was any love on the part of the Liberal governments for our senior citizens.

And that is what we are getting again now. The pressure of the high cost of living, which everyone is feeling is being felt in particular by our senior citizens, and this is being impressed on the government on the floor of this House by members in all parties, yes even by members on the Liberal side, and certainly by the Conservatives, the Social Crediters and by ourselves.

It is not to be overlooked that there was an election last October 30 which gave no one a majority, and that the Liberals have been doing their best to hang in there ever since. It is not to be overlooked that from time to time we have nailed some theses to the door, the latest occasion being on August 21 when we demanded action on the question of escalating old age pensions on a quarterly basis, and the result is that because of that pressure we are getting this bit of action tonight.

Every one of these increases has been welcome—the changes we have sought, the removal of the means test, all of the additions, and the lowering of the age to 65. As I say, they have all been welcomed, but let not this ex-Tory turned Liberal stand up in this House and try to convince us, and particularly try to convince me, that it is because of any Liberal traditions of concern for old age pensioners. The Liberal tradition he is following tonight is not to act until the Liberal government is pushed to the wall. And it is pushed to the wall tonight. So the Prime Minster (Mr. Trudeau) this afternoon, knowing he was not able to adjourn the House after the railway strike debate was over, comes on and tries to give this so-called leadership. And this is part of the package. We welcome it, but let us have it presented to us in honest terms.

In my opening sentence or so I said that in my view this bill does not go far enough and does not come to grips with the real problem of our old age pensioners. Although the minister put the matter in the wider context of the cost of living problem of today, and I accept that, I am prepared while I have the floor tonight to talk only about old age pensioners. Their real problem is not just to get the annual escalation to which they are entitled on a quarterly basis. Their real problem is that they desperately need a substantial increase in the basic amount of the pension itself.

When this session opened last January the Minister of National Health and Welfare, in a speech on which I was pleased to compliment him much more than I feel I can compliment him tonight, said on January 11, as recorded in *Hansard* at page 202, that there was soon to be announced an old age pension increase. I now quote his words exactly:

—and I hasten to add that it will not be a mere token increase.

He knew then that what was needed was a substantial increase in the old age pension. We told him that in our view that meant an increase in the basic pension to $150 a month. But the minister, having said he would not bring down a mere token increase, did just that. He brought down an increase from $82.88 to $100 a month.

Every member of the House of Commons knows that that amount, that $17.12 increase in the basic amount of the pension, has long since been eaten up by the increase in the cost of living, and that the figure we were advocating in January of $150 a month as a basic pension is in fact now out of date.

Our party, the NDP, at its convention in Vancouver a few weeks ago, recognized this by declaring that it is now our policy that the basic amount of the old age security pension should be $200 a month. And don't let anyone smile, as the minister is now smiling, although maybe it is because of something somebody else is saying to him, because I have a long memory. I can recall when members were telling me I was out of my mind because I was asking for pensions of $30 a month, $40 a month and $50 a month. We won those amounts, and more. But the fact of the matter—and I pick up the theme of the questions asked by the hon. member for Ottawa West (Mr. Reilly)—is that if our senior citizens are going to live in the dignity and honour to which they are entitled, $200 a month has become a minimum.

I accept the fact that this debate takes place in the context of the cost of living problem and the pressure it is imposing upon persons with fixed incomes. But there is a wider context. We still have not solved the problem of providing our senior citizens with what is really their right, and that is sufficient income that is not just charity, not just enough to keep them alive, but which recognizes the contribution they have made to our society, that recognizes their right to live in dignity and honour.

I am just as sure as can be that it was our efforts over the years that got the basic pension up from $20 a month to $100 a month, and I am equally sure that some of us will still be here to get it up to $200 a month. I call upon the minister to face the fact that what he should be bringing before parliament right now is not just a quarterly escalation that will produce an increase of $5.30 in October, but an increase in the basic amount of the pension itself.

● (2120)

I was interested, Mr. Speaker, in the fact that the minister picked up the minutes of proceedings and votes of the Standing Committee on Health, Welfare and Social Affairs for Tuesday, March 13, 1973. I brought the same minutes into the House with me this evening intending to quote some of the same sentences that the minister quoted, although perhaps my emphasis, or the conclusion I draw, from what he said on that occasion, is not the conclusion that he underlined. In fact, neither did my good friend the hon. member for Hillsborough (Mr. Macquarrie) underline that conclusion that really matters. At any rate, this is what the Minister of National Health and Welfare said on March 13, 1973 at page 1:12 in response to an appeal from a Liberal, the hon. member for York Centre (Mr. Walker), that escalation be put on a semi-annual basis or quarterly basis; these are the words of the minister:

Of course it would be possible to have it twice a year. Theoretically it would even be possible to have it every three months. But every time you do that you increase your cost of administration; we have calculated, that it would add about $2 million to the cost. And the money that you add to the cost of administration would not go to the senior citizens. So my inclination at the present time

is to try to increase more often the total amount of benefits, including escalation, rather than load the system, with more frequent escalation, a part of which at least would go into administration and not to the old people. I would rather save on the administration and try to get that money to the people through more frequent raises.

I ask my good friend the Minister of National Health and Welfare, who said these things on March 13, what he has done in the cabinet to which he now belongs—not a cabinet which is in the front room while he is in the back room, mind you. What has the minister done in cabinet to try to get these more frequent raises in the basic amount that he declared on March 13 to be the important thing to do?

Later that same day in the standing committee the minister was pressed further on this question of semi-annual or quarterly escalations. The point was made by Liberal members that the amounts getting through to the pensioners were lagging behind because of the time it took to bring the annual escalation into effect. At page 1:22 of the document to which I have already referred the record says:

MR. LALONDE: My point is that one way for Parliament to compensate for this unavoidable lag is to change the basic amount, every once in a while, as has been done at different times, and people catch up then—more than catch up—on what they might have lost in terms of the delays in the escalation. That is what I meant.

I was not scandalized, Mr. Speaker, as the previous speaker seems to be, over the fact that the government has changed its tune about the cost of administration of a quarterly escalation program. In March, the minister said we must not do this because it would cost too much, but now the government is prepared to spend the money. What scandalizes me, what bothers me and what disturbs me is that the minister, out of his own heart and mind, said in March that what he preferred was to try more often to get increases in the basic amount of the pension. Yet he makes a speech tonight, does not refer to that at all, but refers to Liberal tradition and all that when all he is doing is putting escalation on a quarterly basis.

I know that by putting escalation on a quarterly basis the result will be that in a 12-month period pensioners will get a greater number of dollars than they would have got otherwise. But the fact of the matter is that in any fourth quarter the pensioners, in that quarter, will not be getting any more dollars than they would have got in the twelfth month as the result of an annual escalation. So, Mr. Speaker, to tell us how much this is going to cost and to suggest great generosity on the part of the Liberal government is, I think, an attempt to kid us.

The fact of the matter is that an escalation program is necessary, and I think a quarterly one is better than an annual one. I do not think anyone in this House is going to force a vote or oppose this measure, but to put it in its proper perspective it really is not answering the needs of our older people as individuals on fixed incomes. It is not coming to grips with the basic problem that faces us with reference to senior citizens. This is a problem we have been trying to solve for 50 years, namely, that they are entitled not just to charity and welfare, not just to enough to keep them alive, but to enough to enable them to live in the respect and dignity that they deserve as members of a

[Mr. Knowles (Winnipeg North Centre).]

society, because they are human beings and because of the contribution they have made over the years.

Of course we will support this measure, Mr. Speaker; of course we will put it through with a limited amount of debate. I imagine there will have to be a number of Liberal speeches to boost it and try to dress it up a bit, but I plead with the minister to get back to that feeling that I thought he had for the old age pensioners when he made his first speech back on January 11. I ask him to get back to that approach, to that appreciation, and face the fact that what he is doing tonight is peanuts. It really does not meet the needs and rights of our older people.

I submit, sir, that we are doing the right thing in terms of the old age pension cause, that we are doing the right thing in the political life of this country when, as a New Democratic Party, we say that the time has come to go for a basic old age pension of $200 a month. Maybe we will do well if we get from the Liberals half of the proposed increase or get it up to $150, but we are going to keep working for the higher amount because we believe our people are entitled to it and that our economy can afford it.

I know there are those who ask what it will do to our tax bill and the economy, but the whole aim of society surely, Mr. Speaker, is to order its economy and order its arrangements so that there is justice and equity among our people. We have not really done that until we make sure that our older and our retired people get the standard of living to which they are entitled.

While I am on my feet and discussing the question of old age pensions, Sir, there are one or two other things I should like to say. When I was planning what I might say I confess I said to myself "Now watch out; it is a simple bill dealing only with escalation and there might be someone in the chair who would say we should stick to that narrow provision". But, Mr. Speaker, you have been stymied. Because in introducing this bill the minister made very few references to the quarterly escalation that the bill effects; rather he gave us this great history about the traditions of the Liberal Party. Of course, once he had made that speech the official spokesman for the Progressive Conservative Party felt he could do the same, and so we have a wide open debate on the whole question of the Old Age Security Act and the amendments that ought to be made to it. Because the minister has opened up the act and told us what has been done over the years, I remind him again—I know there is no corner of this House in which I have more support than on the Liberal side, especially the members from the province of Quebec—that the time has come to lower the eligible age for old age security and also under the Canada Pension Plan.

I was hoping, after I made that generous reference to Quebec Liberals, that they would applaud!

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Now they are applauding, even if I had to ask for it. Mr. Speaker, this is an issue that will not go away. The government cannot continue to insist that the pension be paid only at age 65. I note that the government of the province of British Columbia is making the first start. The provinces have to pay attention to their limited resources and have to apply

means tests that some of us may not like. In British Columbia, at least, the government is supporting the idea of pensions for certain persons at age 60. I advocate strongly that right now the eligible age under the Old Age Security Act and under the Canada Pension Plan should be 60 for all those persons who are out of the labour market. I am not advocating on this occasion that pensions be paid universally at that age in the way they are now paid at age 65. I am saying that persons who do not have income from employment and who are 60 years of age and over, whether they are spouses, single persons, or what have you, should now be entitled to receive the full amount of the old age pension.

● (2130)

I welcome strongly the support that has been given for this proposition not only by my colleagues, all 30 of them, but, as well, by quite a few Conservatives, most Social Crediters, and by members of the Liberal Party who are being pressed on this subject by people in their constituencies. I just do not know what has happened to the Minister of National Health and Welfare that the message has not got through to him.

This issue will not go away. I urge that further consideration be given during this present session of parliament to lowering the eligible age at least for those who are out of the labour market. As I say, this should happen not only with respect to the old age security pension but, as well, with respect to the Canada Pension Plan. The Minister of National Health and Welfare already has before the House one bill amending the Canada Pension Plan. It deals with a few minor things; he has promised another one. Indeed, I was pleased to hear him say tonight that the 2 per cent escalation under that plan is to come off in January. The minister probably remembers the time when I asked him a few weeks ago what steps were to be taken to make sure that the 2% ceiling on that escalation comes off in January, as he had promised. He quickly corrected me and told me he had made no such promise; it was just a hope. Tonight he spoke more firmly. You see, that is the result of the pressure of the high cost of living and of the provinces. At any rate, I was glad to hear him say tonight that it is to come off in January.

I was also glad to hear him refer to the other bill that was introduced today by the President of the Treasury Board (Mr. Drury) which will take the 2 per cent ceiling off the escalation of pensions for retired civil servants, retired Armed Forces personnel, retired RCMP personnel and so on. But I urge on the minister, when he meets with his provincial counterparts—as he has promised to do this month, I believe, or very soon—to discuss the Canada Pension Plan and finalize with them the removal of the 2 per cent ceiling as well as to do something about increasing yearly maximum pensionable earnings; to tell them a fact of life, namely, that the time has come for the lowering of the eligible age under that legislation as well as under the Old Age Security Act to age 60.

These are things that I feel should certainly be considered and acted on. If Your Honour feels that I have strayed a bit from the narrow terms of the bill, I am afraid I must agree. I did not think I could speak as I have done but for the fact that the minister made the far ranging speech that he delivered tonight.

I shall mention two or three other things and then take my seat. I am glad that we are making some headway. I have to say sometimes to some of my colleagues who feel frustrated because things move so slowly around here—and they do move terribly slowly, as I can confirm—that over the years things do move. One does get pension increases for retired civil servants. Now we are to get rid of the 2 per cent escalation ceiling with respect to their pensions. We are to get rid of that ceiling with respect to pensions of retired Armed Forces and retired RCMP personnel as well. We are to get a kind of lowering of the age at which retired Armed Forces and retired RCMP personnel can get their escalation.

Although we are dealing with these things, particularly with the old age security and the guaranteed supplement that is included thereunder, I hope that our veterans on the war veterans allowance do not go through the experience of getting an increase in their OAS and GIS from one hand of the government and having it taken away by another. The hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) raised this question the other day in the question period and got an answer from the Minister of Veterans Affairs (Mr. MacDonald) that was reasonably satisfactory, but I was not completely convinced. I join with my hon. friend for Humber-St. George's-St. Barbe in saying that this must be a certainty. There must not be an instance this time of war veterans who are on the war veterans allowance getting an increase in OAS and GIS and then having it cut back from their WVA the next month because they exceeded the ceiling set out in the War Veterans Allowance Act.

The other major things I want to talk about I shall refer to only in passing. I think the federal government must look thoroughly into the question of providing protection to the people of this country so far as their private pension plans are concerned. There are many instances of employees not getting the benefits they thought they were entitled to; certainly, there are far too many cases of pension plans that are inferior. There are far too many cases of pension plans that do not provide for a proper escalation. I was glad to hear the Prime Minister (Mr. Trudeau) speak this afternoon of a regulation coming under the income tax department which at the moment will not permit the registration of private plans that escalate by more than 2 per cent per year. This regulation is to be changed so that such plans can be registered. I would go further. I would say that they should not be registered unless they make full allowance for increases in the cost of living to the full extent of the rise of the cost of living. Once the government talks to some of these employers in terms of what this will mean to them in income tax, we shall be surprised how quickly they will see the light. So I urge that attention be given to the whole broad pension question right across the board.

We made a few references to railway pensions last week in the debate on the rail strike. We pleaded in particular with the Minister of Labour (Mr. Munro) to give to John Deutsch much more than the commission to look into the value of the pension changes which have been made, which he has done. We pleaded with the minister then, and I plead with the minister now, to establish a commission to go into the entire question of the adequacy and fairness of railway pension plans. That is another issue

that will not go away. The whole question is not just one that some of us like to talk about because we have been talking about it for years and cannot get over it. We think it is part and parcel of the whole idea that used to be known as the just society, if that phrase has not been spoiled. We think it is part and parcel of the idea of a decent, humane society, in which our older people are not just kept alive but in which they can enjoy the dignity, the honour and the respect that are possible because of the work they have done and of the wealth that our economy is able to produce.

We shall support this little bill, Mr. Speaker, because what it does is the least that can possibly be done at this time. But we plead with the government and we plead with this House to realize that the pension problem calls for a lot more than has been done. Some of us are going to keep talking about it until we get a full measure of justice and security for all our older people.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, it is with deep satisfaction that I heard this evening the speeches of the spokesmen of the various parties in the House, because we seem to be heading at great speed towards the acknowledgment of human rights. I am greatly pleased, because there was a time when any reference to the rights of senior citizens, disabled persons, families or children seemed like preaching in the wilderness. However, at the present time, there seems to be a consensus which is heart-warming, as we all wish to bring greater security to older people and are ready to do so not only because of an election, but due to a rapidly changing situation.

Bill C-219 now under consideration precisely provides for an increase in the pension of people of 65 or over, according to their needs and the rise in the cost of living.

Unfortunately, Mr. Speaker, whenever an increase in the cost of living is mentioned, a great many people think of an increase in food costs. They feel that these are the only costs which contribute to the cost of living increase, that is, everything we eat to rebuild our strength and live. Yet, there are many other factors which contribute to the cost of living increase which, although very important, are rarely mentioned.

I was very much interested in the statement which the right hon. Prime Minister (Mr. Trudeau) made this afternoon and which, at times, sounded like a Speech from the Throne, in view of the various measures presented to hon. members who are urged to pass them in order to remedy a number of situations.

For example, when I heard that part of the remarks dealing with the increase in the price of gasoline, I was very interested because a couple of weeks ago I did in fact say in a press release that the increase in price of gasoline by the great oil magnates did contribute much to the increase in the cost of living these people were not forced to crawl in front of control boards to get higher prices as must do, for example, whole milk producers. In fact, the latter must submit a request to provincial control boards to ask permission to raise the price of their milk according to the contingencies of production costs so that they may realize profits and keep operating. Once again, we have a policy for the rich and a policy for the poor.

As for the increase in gas prices, these magnates only have to decide, at a given time, that they are more hungry than yesterday and they boost their prices. It is an accomplished fact. All newspapers announce that the price of gasoline has risen by 2 cents, 3 cents or 5 cents and that is what contributes, to a great extent, to the higher cost of living because everyday we only have to watch, to see what happens on our roads, in our towns, everywhere, to understand that more and more gasoline is used for all sorts of things, to do things that will bring satisfaction or will give something likely to satisfy the needs of human beings.

Mr. Speaker, another thing greatly contributes to the rise in the cost of living; we hear very little about, at least it is not given much attention. This afternoon, I heard, the leader of the New Democratic Party (Mr. Lewis) utter a very short sentence. Then I heard our leader (Mr. Caouette) who mentioned what he has repeated again and again: the rise in interest rates leads to a much higher cost of living, and here again the government seems powerless facing those who enjoy the privilege of controlling credit and to determine the interest rates on the money loaned to the Canadian taxpayers, to the large corporations.

Mr. Speaker, I intend to come back on that subject at a certain moment when we will make a thorough study of related matters in order to demonstrate once and for all—if it is possible—to all Canadians, to consumers and producers that farmers have some rights, they can exist and they have a mission to fulfill in Canada, that they must produce what is necessarily to appease appetites, to fill stomachs, that they have well-established rights, that they must be recognized and they are not responsible for the rise in the cost of living.

Once again, I would like to point out to all Canadian consumers that it is their interest to help farmers have their rights recognized so that they can continue to produce the necessary foods to meet the needs of the people; if we do not move right now, I am afraid the reduction in farm production will be accelerating and young people will no longer be interested in our most essential industry, the farm industry.

Now, Mr. Speaker, I would like also to call the attention of the House to the fact that many aged persons sent letters and telegrams to us, phoned us to let us know their needs and their hopes for more generous pensions.

● (2150)

Without reading them, I only wish to mention some of the letters received recently. I suppose that all members receive such mail. This means that older people ask their representatives to pass measures which will ensure their security, a security which they certainly deserve after their many years of work. As a matter of fact they used their energies, their power to achieve something in our country like clearing a farm, building a house or promoting an industry, building a railway, a road or a plane. Thanks to their energy, all these people have worked, often under very difficult conditions, giving their best to build a Canada in which they hoped to live happy years at

retirement without always worrying: Where shall we find the money to buy clothes, to keep warm and to eat?

I have here, Mr. Speaker, an excerpt from a letter writen by a man who is not from my riding. He is from Montreal. He gies his address and his name. The letter was sent to the right hon. Prime Minister in 1970 and I quote:

Honourable Prime Minister, to me and to other people you answered that you would try to improve our lives by a raising the old age security to $150 a month without restriction.

This means: without taxes, without means tests, without being bothered by investigators who come looking into my closets, my refrigerator or still my vegetable cellar.

Well, he wanted security. He was not asking for the impossible; he was simply asking for something possible.

He also said and I quote:

We have to file an income tax return and we are even paying a little tax. Why not grant us an exemption of $3,000 at 70 years of age . . .

Now I would add "60 years" because it is possible. I go on with quotation:

Don't you think that we have been paying long enough? How many years have we to live? An average of 5 years. What would such an exemption mean for the country?

Mr. Speaker, this is a wise and clever suggestion. He is not asking an increase for the sake of it, but at the same time he is offering the government a formula which would enable these people to get an increase, not directly in the amount of their cheques, but by sparing them the obligation of having to return too sizable an amount to the government at the end of the year.

Finally, he says this:

To end their days decently, the aged should receive a monthly $200 pension, bearing in mind the present cost of living . . .

A while ago, I heard the previous speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) express precisely the same views. I remember having supported a motion here, in this House, at the time a bill on old age security was being studied, proposing precisely a similar increase. Is it idle fancy, Mr. Speaker? We must study the situation in our country to see whether it is possible to face the problem. With $200 a month, will the age—and if I had the time, I would say how many of them there are; something like 1,800,000, I believe—gobble everything up so that there is nothing left for other Canadians?

Mr. Speaker, let's go back to Manitoba. Like everyone else, I have had the opportunity of seeing, from the air, the vast prairies covered with beautiful grain crops, where people toiled to reap and transform them in order to feed the people. We also had the opportunity to realize that some vast stretches of land were ploughed, ready to be seeded in preparation for next year.

So it is not these people with $200 per month who will exhaust the resources of our country. One has but to stop a moment and look around to see that we also have an extraordinary potential of young people from 35 to 50 who are still in good health and capable to bring their contribution to this country's production if we enable them to channel their energy, to use the hours that Providence puts at their disposal in order to process in detail all the natural resources of this country.

Old Age Security

Mr. Speaker, we must do everything we can to provide more security to older people, not only to those of 65 or over, but also to the 60-year old persons. I was pleased a while ago to hear the previous speaker mention again convincingly, the possibility for Canada of lowering from 65 to 60 the eligibility age to the old age security pension. As for me, I would add married people, even those whose age is below 60, because after all it is only logical whenever one retires that his or her spouse may be able to do the same so as to provide both with a happy retirement, spent in security, which would enable them to visit our magnificent country while they are still in good health, so as to see the work accomplished by our ancestors in order to build such a beautiful country which allows us to enjoy a security and freedom as no other country in the world can afford.

As far as I am concerned, I am willing to see Bill C-219 passed without delay. My colleagues whom I questioned about it, told me that they were in agreement with that.

The Minister of National Health and Welfare (Mr. Lalonde) could also move, during the days to come, an amendment to the bill that would enable people aged 60 to become eligible to the pension and provide more generous family allowances.

I was pleased this afternoon to hear the Prime Minister say that the family allowance rate would be $12 per month as of October. Mr. Speaker, people who have children can easily understand, considering the high cost of living, the great service we could do to all Canadian parents, and especially Quebec parents, who are at present helpless.

I am concerned with the birthrate which is decreasing year after year in our province. Unfortunately, that is not due only to the pill but also to an economic context which is preventing them from being their own selves. How do you expect a couple to live in apartments in Montreal or elsewhere when there is room only for machines and none for human capital. Then it is time something should be done and quickly before it is too late, because with the little experience I have of life I have learned one thing, that when we fail to do something by ourselves and for ourselves it is done by others and against us.

Therefore if we do not want that to happen, let us act now, and work like responsible people and give each and everyone that security which lies in freedom.

[*English*]

* * *

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, I was just wondering whether the acting government House leader or the parliamentary secretary would confirm that we will be going on with this bill tomorrow, hopefully to be completed before too long. In the event we have concluded the statute law supplementary retirement benefits amendments tomorrow, would the parliamentary secretary or the acting House leader indicate what we are going ahead with?

Mr. Reid: Mr. Speaker, I can confirm that we will be dealing with this bill tomorrow and following that the statute law in respect of the pension plan. Following that, I am afraid it will depend on the House leaders to determine the future course.

Adjournment Debate

Mr. Baldwin: In other words you have nothing else ready?

● (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

ENERGY—PROPOSED WEST COAST OIL TANKER ROUTE—INQUIRY AS TO CANADA-UNITED STATES COMMITTEE TO DISCUSS ENVIRONMENTAL PROTECTION—CANADIAN PROPOSALS

Mr. John A. Fraser (Vancouver South): Mr. Speaker, on March 8 I asked some questions of the Minister of the Environment (Mr. Davis). I notice he is not here tonight, nor apparently is his parliamentary secretary. However, notwithstanding that I notice the Secretary of State for External Affairs (Mr. Sharp) is here, and considering the fact that the questions raised are matters of some concern to him perhaps he will hear my remarks and give me the answers I would otherwise expect to receive from the Minister of the Environment. I notice that the Parliamentary Secretary to the Minister of the Environment (Mr. Rompkey) has just entered the House.

In March of this year I asked the Minister of the Environment what had been done by the Canadian government and the United States government to enter into control arrangements in respect of tankers on the west coast. Since that time a great deal has been revealed to us. I was about to say that a great deal had happened, but nothing very much has happened since the session ended on July 27 this year.

Before the adjournment I happened to have the privilege of speaking on the adjournment debate. At that time I pointed out to the House that, in view of the problems we now have in respect of United States legislation approving the tanker route, we are in the position that we do not know what the reaction of the Canadian government will be. Despite the brave words of the Secretary of State for External Affairs that we have only begun to fight, Parliament has been adjourned for a month now and we have heard little about the fight the Canadian government is waging.

On July 27, 1973 the Secretary of State for External Affairs took umbrage when I said that the government had assured residents of the west coast that everything was being done not just to keep tankers out of Puget Sound, as has been suggested, but to stop the tanker route entirely. The minister's reply was to the effect that he did not think that was so. I remind the House that on November 20, 1971, in the Montreal *Star* there appeared a Canadian Press story concerning the Minister of Indian Affairs and Northern Development in which he is reported to have said that they are still interested in a pipeline. The article goes on to say:

> . . . Mr. Chrétien rejected a reported statement by U.S. Interior Secretary Rogers Morton that Canada has lost interest in an Arctic pipeline.
>
> "That is not the case," Mr. Chrétien said. "We are interested."
>
> "We, as Canadians, are not too happy with the fact that they are planning to use tankers from Alaska to California . . .

I underline the word "California".

> . . . because there would be great danger to the beautiful coast of B.C."
>
> "That is why we have to consider the possibility of having the pipeline through Canada."

The Secretary of State for External Affairs may take some comfort from the fact that some time earlier, on October 8, 1971, he was reported in the *Sun* as saying that he was not quite certain that any oil protest was of any use. It seems strange the government has decided to fight—in the words of the Secretary of State for External Affairs—and yet a month has gone by in which nothing has happened. We had a parliamentary delegation go to the United States. We recognize that the legal machinery of the United States Congress has taken effect and that we are to have a pipeline across Alaska, which means we will have a tanker route down the west coast of British Columbia, not just to California but into Puget Sound.

We simply want to know what has been done since we adjourned on July 27. What negotiations and initiatives are being taken on the part of the government vis-à-vis Canada and the United States to decide whether or not there is a *quid pro quo* between Canada and the United States to get the tankers out of Puget Sound? We want to know, in a word, whether the government has started to fight, and if not when it intends to do so.

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, our concern about the risk to the environment entailed in the passage of super tankers through the Straits of Juan de Fuca to Puget Sound has been made clear on a number of occasions, both in communications with the United States and in public statements. Our preference would obviously have been for an overland pipeline route through Canada. However, developments in the Congress of the United States make it obvious that this is not to be so. However, there is still time for discussions on this matter because it is some time yet before the oil actually begins to flow.

The Canadian government is not able to prevent the construction of the trans-Alaskan pipeline since it is entirely within U.S. territory. The great bulk of the oil is being transported to California, as has been said before, in large vessels. However, some of it is planned to go into Puget Sound. There is no reason why Canada should be concerned about the traffic going to California. Our concern is with tankers going into Puget Sound through the Straits of Juan de Fuca. We have sought to influence the United States either to supply these refineries in Puget Sound in some other manner or to manage the tanker traffic in such a way as to minimize risk.

One proposal has been to supply the needs of those refineries overland from Canada. To do this it would be necessary to enter into discussions with the United States

on this matter. There would be problems of pricing, a guarantee of supply, and these might present obstacles in that direction. As congressional and U.S. government action to overcome the impediments in the way of proceeding with the construction of the trans-Alaska pipeline is not yet complete, it has not been possible at this point to discuss this proposal with the United States.

We are considering what action might appropriately be taken to minimize the risk to the environment if the United States could not go along with this proposal and tankers enter Puget Sound. The first, of course, is prevention. By this I mean traffic management, navigational aids, tanker construction, and so on. We are satisfied in our discussions with the government of the United States so far that the best that technology can provide will be provided in the construction of these ships and that their quality will be the highest so far developed in the shipping industry anywhere in the world. They will be as safe as modern technology can make them. Nevertheless, spills can occur.

The second point is clean up. We are in the process of developing a joint oil spill contingency plan. This will make available trained personnel and first rate equipment.

The third area of action is compensation for damage. We are currently to develop a set of principles between our government and that of the United States which will form a basis for agreement with the U.S. in dealing with the settlement of environmental disputes.

The fourth area of action is joint research into the impact on the ecology of the west coast of any oil spills. Meetings with the United States have taken place. We would like to have a comprehensive, joint Canada-U.S. research program in this field.

The Acting Speaker (Mr. Laniel): Order, please. I regret very much but I allotted as much time as possible to the hon. member and the time has now expired.

URBAN AFFAIRS—LAND BANK—INQUIRY AS TO AMOUNT OF LAND PURCHASED

Mr. Don Blenkarn (Peel South): Mr. Speaker, on July 3 I asked the Minister of State for Urban Affairs if he could give an accounting to the House of the land purchased under the $100 million a year land banking proposition. Mr. Speaker ruled that the question I asked be put on the order paper. Fortunately an answer was given by the right hon. Prime Minister (Mr. Trudeau) on August 30 last—I might add, a flippant answer—to the hon. member for York-Simcoe (Mr. Stevens) as recorded at page 6068 of *Hansard* for that date, and I quote:

● (2210)

Since he is interested in land costs, I might refresh his mind by recalling that the government has already approved $100 million per year for five years so that the provinces can embark upon useful land assembly programs. No province except Newfoundland has decided to act on this. I wish hon. members would urge provincial governments toward more action in this regard.

I am pleased that the Minister of State for Urban Affairs is here tonight because clearly that whole program of land banking has turned out to be as inept as we suggested it would when the bill was presented to the House. With the exception of Newfoundland no province has bothered to take advantage of the scheme.

Two provincial governments have presented briefs saying that we do not need land banking today to solve the problem. We need land spending, because the problem is the cost of single family serviced lots on which to build. Since I spoke on this matter earlier this year the cost of a single family lot in the Toronto area has risen from $18,000 to $20,000, to $22,000, to $25,000, and in some cases to $28,000 and $30,000.

The time for action was last spring. Action is now needed more urgently than ever. The only way to solve the price of a commodity that is in short supply is to increase the supply. That is basic logic. That is something anybody can understand except the government. Having clearly been shown that its program for land banking is inept, the government should now use the funds set aside for banking land to spend land, to service land.

We have a limited supply of social capital in this community. While we have a sewer program under the National Housing Act, that program is clearly not enough. Some municipalities have sewer facilities, but they have not got water mains, parks, roads or commuter services. They have not got recreation centres and all the other things that go with the total package of servicing.

It is high time the government produced a program of loans and grants to municipalities that would make possible the servicing of land so that we could have land spending instead of land banking. Because clearly we do not need land banking. We certainly do not need $100 million in land banking. We need as much funds as possible devoted to land servicing.

That proposal has been presented to the ministry and to the government by experts in every field. Yet the government still relies on the bankrupt ideas of its own advice instead of the current advice given to it by people in the development industry, by municipalities, by people who want to own homes, by builders who want to buy lots on which to build but cannot find them.

What we need is a comprehensive program that will deal with the serious problem of the shortage of serviced land. There are many other problems in connection with the building of houses. There is the high cost of mortgages at 10½ per cent. There is the tax on building materials. The economics of building are that for every dollar spent on land you need $2 in buildings to make the project economically feasible. If the lot costs $25,000 the house has to cost $50,000 for it to be economically feasible. The minister knows this. CMHC knows this. Every trust company and bank in the nation knows it. If we are going to have houses at prices people can afford, we have to bring down the price of the land. Otherwise they cannot be financed. If they cannot be financed then people cannot afford to buy them. The only answer is to attack that horrible problem, the lack of serviced land. Not land banking, but something better.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, it is a great pleasure to have another Tory position on housing and land assembly put on the record. When the National Housing Act was before Parlia-

ment for second reading last spring we had 18 Conservative spokesmen and 18 Conservative housing policies. I am delighted to see that the hon. member for Peel South (Mr. Blenkarn) is diametrically opposed to the position taken by the hon. member for Vancouver-Quadra (Mr. Clarke), who said that we should get out of the housing business. He is also opposed to his own Conservative colleagues at Queen's Park in Toronto where Mr. Grossman and the provincial treasurer, John White, have been talking about the need for land assembly. I am delighted that the hon. member is out of step with his provincial conservative colleagues and also with the mayor of Toronto, who has been urging the province of Ontario to allow the municipality of metropolitan Toronto to take advantage of the federal legislation.

The National Housing Act was amended this year to include provisions by which the federal government, through the land assembly arrangements, could support provinces or municipalities. I have made it clear that we are ready, willing and able to support municipal land assembly proposals on a 75 per cent-25 per cent partnership or by a loan of 90 per cent. There is also a totally new provision in the federal legislation for the development of whole new communities.

That legislation has been passed and at the federal level we have made it clear that we are prepared to provide a minimum of $100 million a year for land assembly and new communities, plus some $260 million a year which we are now spending for the servicing of land. I hope that the provinces and municipalities will take greater advantage of the program than they have to date. This year we have only had applications totalling $12 million from the provinces. I think that is shameful.

It has been shown that land assembly can work. Through provincial land assembly for Malvern, which is in a part of the country that the hon. member knows, the Ontario Housing Corporation has been able to put land on the market substantially below the market price, proving that public intervention in the land business can help.

At the federal level we are prepared through legislation and budget to put massive amounts of money behind the assembly of land and getting that land on the market. The hon. member is dragging a red herring when he says that the land is solely for banking and is never to be used. The provisions of the legislation are for new communities and for the use of serviced land now. The legislation at the federal level and the money at the federal level are there. I only wish people would take advantage of these measures, first to provide new serviced land for homes in markets of high land cost, and second, under the new communities provision, for the development of whole new communities to take some of the population pressure away from areas such as metropolitan Toronto and greater Vancouver. It is a successful program, Mr. Speaker.

Mr. Speaker: Order, please. The hon. minister's time expired 30 seconds ago.

[Mr. Basford.]

CONSUMER AFFAIRS—PETITION FOR CONTROLS ON FOOD PRICES—GOVERNMENT POSITION—POWERS OF PROPOSED PRICES REVIEW BOARD

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, on April 12 I asked the Prime Minister (Mr. Trudeau) some questions regarding the food prices review board. I also presented a petition from 20,000 people in my riding. After listening to the Minister of National Health and Welfare (Mr. Lalonde) it is going to be hard for me to be non-partisan.

● (2220)

After almost three months of inactivity and inaction, Mrs. Plumptre's food prices review board finally submitted its first report. Never has a more toothless, innocuous document been submitted to the Canadian people. It is little more than a superficial examination of problems that every Canadian is already fully aware of. The real nature and causes of drastic price increases, particularly in food, were not examined at all. Even to suggest that Canadian confidence has been restored in our system of production and distribution by virtue of this report or by the actions of the food prices review board is completely ludicrous.

One needs hardly to have wasted vast sums of money on this board to have it report that prices appear certain to rise sharply in the immediate future unless action is taken. Repeatedly one finds oneself asking, "What action?". Certainly the charge that the Canadian Wheat Board had changed its price support policy, a matter of only a few cents a bushel, can in no way account for a 35 per cent rise in the price of bread and a 300 per cent rise in miller's wheat. Nor can this account for a further 75 per cent increase soon to be expected in these commodities.

Today we listened to the Prime Minister (Mr. Trudeau) telling us that the subsidy for wheat is to be increased by 25 cents a bushel. This, apparently, will save Canadians five cents on a loaf of bread. Well, Mr. Speaker, if we consider that one bushel of grain is enough for between 53 and 60 loaves of bread, it follows, if we take the figure of 60 loaves per bushel, that it would take a subsidy of 60 cents per bushel to reduce bread prices by one cent a loaf. I submit that the Prime Minister was misleading Canadians when he suggested that the price of bread will be reduced by 5 cents a loaf, as I do not think that will be the case.

Further, no recommendations are made in regard to mass consumption meats, except that the board will watch closely these price movements. One would think by this statement that 20 million Canadians have not already been watching these price movements.

The recommendations by the food prices review board are enough to insult anyone's intelligence. In fact, as far as the retailers are concerned, recommendations such as were included in the report have been policy at major food outlets across Canada long before the board was in existence, and unit pricing and standardization of package sizes have been claimed months ago by the previous minister of consumer and corporate affairs, the hon. member for Vancouver Centre (Mr. Basford).

To inform consumers that they should buy only what they need and that they should shop carefully and compare prices is to tell consumers to do something most

consumers have been doing for years. There has not been any report of action taken by the board on unjustified price increases.

In so far as suggestions to government itself are concerned, the board makes two suggestions. The first is that government should face up to the threat to consumer prices posed by recent price increases. The second suggestion, and perhaps the most far reaching, is that the government expedite proposed increases in family allowances to offset recent price increases. Everybody knows about this. The government today has introduced a proposal that will do just that. I hope the people realize that this increase will be swallowed up by inflation and that they are being bribed with their own money. The entire report must be regarded as meaningless and the sooner it is dismissed, along with Mrs. Plumptre, the sooner meaningful legislation can be introduced to deal effectively with staggering price increases.

I should like to close by referring to what the Prime Minister said on April 12 when I asked my question regarding my petition. He said, as recorded at page 3230 of *Hansard,* "I suppose there is a growing demand for all kinds of things in this country." In the last few months we have seen a growing number of pictures of the Prime Minister and his wife in the newspapers. This is publicity for himself. He is trying to gain publicity across the country. I say that the Prime Minister should take his wife and child and the members of his government should take their wives and children, into the grocery stores of our country. Let them shop like ordinary people and see how prices are increasing. Let them act to lower prices so that average people can make better use of the dollars they bring home in their pay packets.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member's original question asked for the terms of reference of the food prices review board or what the terms would be when the board was set up. In the period of time since he asked his question this information has been made public and his question has been overtaken by events. He has used the opportunity, and he has a perfect right so to do, to attempt to cast doubt on the government's policies without putting forward any positive alternative, except possibly to suggest by implication that the proper alternative would be some form of price and wage control.

It is really strange how the hon. member and his colleagues in the Conservative Party have nothing better to offer Canada than a policy that has proven an abject failure in the United States, a country with an economy very like our own. Certainly that party has not much to offer Canadians except a policy of failure, a policy that has in the United States brought about shortages of food and greater price pressures than existed before that policy was in place. That policy caused an unfortunate fall out in Canada since it brought about upward pressures in the price of beef in this country, until the government wisely imposed export controls on beef and pork products.

In spite of the hon. member's attempt to cast doubt on some of the policies we have been using to help mitigate the effects of the upward pressure on the cost of living, he really has not succeeded, especially if by implication he wishes to see nothing more in their place than policies which have failed in the country to the south, causing worse difficulties than existed before they were put into being.

The first report of the prices review board did not simply suggest that the government take action to lower prices. It recommended that the government give consideration to subsidizing wheat used for domestic human consumption so as to moderate the increase in the price of bread and pasta products. This was a position endorsed by many commentators and editorial writers across the country.

The government responded constructively in the Prime Minister's statement today to this basic recommendation in the first report made by the board. That statement made it clear the government would set up a subsidy program aimed at making sure that an increase in the price of bread estimated at about 5 cents a loaf would not take place in October. I think this was a constructive move—

Mr. Speaker: I regret to interrupt the minister but his time as expired.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Wednesday, September 5, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

VETERANS AFFAIRS

SUGGESTED INCREASE IN WAR VETERANS ALLOWANCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity related to the legislation on old age security tabled in the House yesterday. Although the legislation will escalate pensions under the OAS/GIS plans, the increases will not benefit those veterans receiving war veterans allowances who are 65 and over. I therefore move seconded by the member for Hamilton Mountain (Mr. Beattie):

That this House instructs the government through the Department of Veterans Affairs to provide, by Order-in-Council, or by amendment to the War Veterans Allowances Act, that similar increases be awarded to war veterans.

Some hon. Members: Hear, hear!

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

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

● (1410)

[*Translation*]

FINANCE

REFERENCE OF TAX ON BUILDING MATERIALS TO COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Henry Latulippe (Compton): Mr. Speaker, under Standing Order 43, I seek the unanimous consent of the House to discuss a matter of pressing and urgent necessity.

Considering that there is no provision in the legislation presently under discussion likely to remove the 11 per cent on building materials which, we feel, directly contributes to the high cost of living, I move, seconded by the hon. member for Bellechasse (Mr. Lambert):

That a special House committee be appointed to assess the resulting impact of this tax on building materials and the cost of living increase and report as soon as possible.

Mr. Speaker: The House has heard the hon. member's motion. Under Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore, the motion cannot be put.

* * *

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

CHANGE IN NAME OF CONSTITUENCY FROM PEEL SOUTH TO MISSISSAUGA

Mr. Don Blenkarn (Peel South) moved for leave to introduce Bill C-222, respecting the Electoral Boundaries Readjustment Act.

Some hon. Members: Explain.

Mr. Blenkarn: Mr. Speaker, this bill is to amend the Electoral Boundaries Readjustment Act to provide that the designation of the constituency of Peel South be changed to that of Mississauga. On January 1 next year, the towns of Port Credit, Streetsville and Mississauga are being combined together into the city of Mississauga. The boundaries of Peel South encompass the city of Mississauga. Therefore I would ask speedy passage of this bill.

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

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

HEALTH SCIENCES TEACHING FACILITIES

Question No. 868—**Mr. Orlikow:**

In the past year, what were the federal expenditures on the planning, building and equipping of health sciences teaching facilities from each (a) hospital construction grants (b) national health grants (c) general public health grants (d) National

Research Council (e) Medical Research Council (f) Health Resources Fund (g) others?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by several departments as follows: (a) $5,072,100; (b) Nil; (c) Nil; (d) Nil; (e) Nil; (f) $37,000,000; (g) Nil.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT PERSONNEL

Question No. 906—**Mr. Knight:**

1. How many full-time employees were there as of January 31, 1970 in the Department of Indian Affairs and Northern Development?

2. How many of those employees were earning more than $15,000 annually, distributed according to $1,000 intervals?

3. How many full-time employees were there as of January 31, 1973 in the Department of Indian Affairs and Northern Development?

4. How many of those employees were earning more than $18,000 annually, distributed according to $1,000 intervals?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. 7,338.

2. $15,000-$15,999, 78; $16,000-$16,999, 56; $17,000-$17,999, 55; $18,000-$18,999, 35; $19,000-$19,999, 23; $20,000-$20,999, 12; $21,000-$21,999, 10; $22,000-$22,999, 1; $23,000-$23,999, 3; $24,000-$24,999, 4; $20,000-$25,000, *SX 1, 15; $22,000-$27,000, *SX 2, 4; $24,000-$30,000, *SX 3, 6.

3. 8,624.

4. $18,000-$18,999, 67; $19,000-$19,999, 72; $20,000-$20,999, 47; $21,000-$21,999, 43; $22,000-$22,999, 25; $23,000-$23,999, 29; $24,000-$24,999, 17; $25,000-$25,999, 8; $26,000-$26,999, 9; $27,000-$27,999, 2; $28,000-$28,999, 1; $22,000-$28,000, *SX 1, 23; $25,000-$31,000, *SX 2, 8; $28,000-$35,000, *SX 3, 6; $40,000-$45,000, *DM 2, 1.

———

*Not separated to $1,000 intervals in order to protect privacy of salary information in accordance with T.B. circular No. 1969-206.

DEPARTMENTAL FURNISHINGS

Question No. 1,707—**Mr. Kempling:**

For each of the past two financial years, by province, what was the total value, in dollars, of contracts awarded for departmental furnishings, for example counters, weldments and shelving, for post offices, to companies established in each of the provinces?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The Post Office Department awarded contracts for shelving as follows:

Contracts awarded directly to suppliers	1971-72	1972-73
Manitoba District		$ 1,162.00
British Columbia & Yukon District	$47.00	10,381.00
Total	$47.00	$11,543.00

Insofar as the Department of Public Works is concerned: Counters in post offices are not considered as furnishings since they are constructed as part of the construction contracts. Shelving when it is built-in is also constructed under our construction contracts; when it is free standing it is ordered by Post Office from D.S.S. as ordinary furniture. As far as weldments are concerned, lock boxes and other small postal fittings are the only furnishings provided by D.P.W. Details of contracts awarded and orders placed against standing offer agreements for these items are shown on the attached sheets. See attached listings.

1971-72

Province	Value of Contracts	Company
P.E.I.	Nil	
Newfoundland	$ 14,929.31*	Rousseau Metal Inc., Saint Jean, Port Joli, Quebec
Nova Scotia	14,353.66*	Rousseau Metal Inc., Saint Jean, Port Joli, Quebec
New Brunswick	9,012.48*	Rousseau Metal Inc., Saint Jean, Port Joli, Quebec
Quebec	74,634.99*	Dominion Lock Co., Montreal, Quebec
Ontario	31,815.00*	Beach Industries Ltd., Smiths Falls, Ontario
	14,604.90*	Dominion Lock Co., Montreal, Quebec
	2,086.20	Interroyal Corp., Galt, Ontario
	1,122.00	Bow Plastics, Granby, Quebec
	147.16	Central Store & Fixtures Co., (Toronto)

1971-72

Province	Value of Contracts	Company
	95.20	C. A. Paradis, Ottawa, Ontario
Manitoba	5,810.00*	Wenco Industries Ltd., Calgary, Alberta
Saskatchewan	26,405.00*	Wenco Industries Ltd., Calgary, Alberta
Alberta	23,219.24* (Includes $590. for locations in N.W.T.)	Wenco Industries Ltd., Calgary, Alberta
British Columbia	32,210.93	Rousseau Metal Inc., Saint Jean, Port Joli, Quebec

1972-73

Province	Value of Contracts	Company
P.E.I.	Nil	
Newfoundland	$ 3,534.11*	Rousseau Metal Inc., Saint Jean, Port Joli, Quebec
Nova Scotia	6,687.44*	Rousseau Metal Inc., Saint Jean, Port Joli, Quebec
New Brunswick	20,129.09*	Rousseau Metal Inc., Saint Jean, Port Joli, Quebec
Quebec	125,680.10*	Dominion Lock Co., Montreal, Quebec
Ontario	126,923.25*	Rousseau Metal Inc., Saint Jean, Port Joli, Quebec
	631.80	Interroyal Corp., Galt, Ontario
	408.00	Beach Industries Ltd., Smiths Falls, Ontario
	136.00	C. A. Paradis, Ottawa, Ontario
	109.78	Central Store & Fixture Co., Toronto, Ontario
	97.60	Bow Plastics, Granby, Quebec
Manitoba	20,496.00*	Wenco Industries Ltd., Calgary, Alberta
Saskatchewan	9,360.00*	Wenco Industries Ltd., Calgary, Alberta
Alberta	24,570.65* (Includes $3,134.00 for locations in N.W.T.)	Wenco Industries Ltd., Calgary, Alberta
British Columbia	24,493.51*	Rousseau Metal Inc., Saint Jean, Port Joli, Quebec

*These amounts represent the value of orders placed by D.P.W. against standing offer agreements entered into by DSS for lock boxes.

Order Paper Questions

COMPANIES ASSIGNED CONTRACTS TO HAUL ARCTIC CARGO

Question No. 1,965—**Mr. Forrestall:**

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

Hon. Jean Marchand (Minister of Transport):

(a)	Chimo Shipping Limited	Federally Incorporated
	Transworld Shipping Limited	Federally Incorporated
	Federal Commerce & Navigation Company Limited	Federally Incorporated
	Agence Maritime Inc.	Provincially (Quebec) Incorporated
	Braemar Shipping Limited	Federally Incorporated
	Branch Lines Limited	Federally Incorporated
(b)	Chimo Shipping Limited	Federally Incorporated
	Federal Commerce & Navigation Company Limited	Federally Incorporated
	Agence Maritime Inc.	Provincially (Quebec) Incorporated
	Branch Lines Limited	Federally Incorporated

CANADIAN REGISTRY OF SHIPS INVOLVED IN HAULING ARCTIC CARGO

Question No. 1,970—**Mr. Forrestall:**

1. For the 1971 and 1972 contracts issued for the hauling of Arctic cargo by water, was there an understanding made that the ships involved would be placed on the Canadian registry and, if so how many and to which companies did such ships belong that were so affected?

2. For each of the above, from what nationality was the change made?

Hon. Jean Marchand (Minister of Transport): 1. Ministry of Transport Invitations to Tender and contracts required all ships to be Canadian registry.

2.

Company	Vessel	Change of Registry
Chimo Shipping Limited	M.V. Bill Crosbie	British to Canadian
Federal Commerce & Navigation Co. Ltd.	M.V. Federal Hudson	British to Canadian
	M.V. Axel Heiberg	Danish to Canadian
	M.V. Tavastland	British to Canadian
	M.V. Sable Ferry	British to Canadian
	TEO 336/2	Panamanian to Canadian

CONSTRUCTION DATES FOR SHIPS INVOLVED IN HAULING ARCTIC CARGO

Question No. 1,971—**Mr. Forrestall:**

1. For (a) 1971 (b) 1972, for each shipping company that secured contracts to haul Arctic cargo, what were the names of the ships involved, the date of construction of the ships involved and the government's assessment of the physical condition of the ships involved?

Hon. Jean Marchand (Minister of Transport):

(a) Company	Vessel	Date of Construction	Physical Condition of Ship
Transworld Shipping Limited	M.V.Global Envoy	1949	Ships complied with applicable regulatory requirements and were certificated accordingly.
	M.V. Cabatern	1955	
Feedral Commerce & Navigation Co. Ltd.	M.V. Federal Hudson	1956	as above
Branch Lines Ltd.	M.V. Jos. Simard	1964	as above
	M.V. Maplebranch	1958	
Chimo Shipping Ltd.	M.V. Voyageur "D"	1958	
	M.V. Chesley A Crosbie	1964	
	M.V. Bill Crosbie	1965	
	M.V. Sir John Crosbie	1962	as above
	M. V. Guard Mavoline	1941	
	M. V. Cacouna	1958	
	M.V. Topsail Star	1951	
	M.V. Andrew C Crosbie	1960	
	M.V. Percy M Crosbie	1959	

[Mr. Reid.]

Order Paper Questions

Company	Vessel	Date of Construction	Physical Condition of Ship
Agence Maritime Inc.	M.V. Fort Kent	1943	as above
	M.V. Fort Levis	1962	
	M.V. Inland	1950	
Braemar Shipping Ltd.	M.V. Fort Chambly	1961	
	M.V. Fort St. Louis	1963	

(b)

Federal Commerce & Navigation Co. Ltd.	M.V. Federal Hudson	1956	
	M.V. Tavastland	1955	as above
	M.V. Axel Heiberg	1969	
	M.V. Lorna P	1964	
	M.V. Sable Ferry	1943	
	TEO 336/2	1969	
Branch Lines Ltd.	M.V. Jos Simard	1964	as above
	M.V. Maplebranch	1958	
Chimo Shipping Ltd.	M.V. Chesley A Crosbie	1964	
	M.V. Andrew C Crosbie	1960	
	M.V. Bill Crosbie	1965	
	M.V. Sir John Crosbie	1962	
	M.V. Percy M. Crosbie	1959	as above
	M.V. Conrad Marie	1953	
	M.V. Maridan "C"	1946	
Agence Maritime Ltd.	M.V. Fort Kent	1943	
	M.V. Fort Lennox	1944	
	M.V. Inland	1950	

NATIONALITY OF REGISTRY OF SHIPS INVOLVED IN ARCTIC RESUPPLY

Question No. 1,972—**Mr. Forrestall:**

For (a) 1971 (b) 1972, for each of the shipping companies that were successful in securing contracts for hauling Arctic cargo, what were the nationality of registry of each of the ships involved at the time the contracts were awarded and if any changes were made during the life of the contract, what were they?

Hon. Jean Marchand (Minister of Transport):

(a)

Company	Vessel	Registry	Changes
Transworld Shipping Ltd.	M.V. Global Envoy	Canadian	Nil
	M.V. Cabatern	Canadian	Nil
Federal Commerce & Navigation Co. Ltd.	M.V. Federal Hudson	British	to Canadian
Branch Lines Limited	M.V. Jos. Simard	Canadian	Nil
	M.V. Maplebranch	Canadian	Nil
Braemar Shipping Limited	M.V. Fort Chambly	Canadian	Nil
	M.V. Fort St. Louis	Canadian	Nil
Agence Maritime Inc.	M.V. Fort Kent	Canadian	Nil
	M.V. Fort Levis	Canadian	Nil
	M.V. Inland	Canadian	Nil
Chimo Shipping Limited	M.V. Voyageur "D"	Canadian	Nil
	M.V. Topsail Star	Canadian	Nil
	M.V. Cacouna	Canadian	Nil
	M.V. Guard Mavoline	Canadian	Nil
	M.V. Bill Crosbie	British	to Canadian
	M.V. Andrew C Crosbie	Canadian	Nil
	M.V. Percy M Crosbie	Canadian	Nil
	M.V. Chesley A Crosbie	Canadian	Nil
	M.V. Sir John Crosbie	Canadian	Nil

Order Paper Questions

Company	Vessel	Registry Changes
(b)		
Federal Commerce & Navigation Co. Ltd.	M.V. Federal Hudson	Canadian Nil
	M.V. Tavastland	British to Canadian
	M.V. Axel Heiberg	Danish to Canadian
	M.V. Lorna P	Canadian Nil
	M.V. Sable Ferry	British to Canadian
	Teo 336/2	Panamanian to Canadian
Branch Lines Limited	M.V. Jos. Simard	Canadian Nil
	M.V. Maplebranch	Canadian Nil
Chimo Shipping Limited	M.V. Conrad Marie	Canadian Nil
	M.V. Maridan C"	Canadian Nil
	M.V. Andrew C Crosbie	Canadian Nil
	M.V. Bill Crosbie	Canadian Nil
	M.V. Chesley A Crosbie	Canadian Nil
	M.V. Sir John Crosbie	Canadian Nil
	M.V. Percy M Crosbie	Canadian Nil
Agence Maritime Inc.	M.V. Fort Kent	Canadian Nil
	M.V. Fort Lennox	Canadian Nil
	M.V. Inland	Canadian Nil

NATIONALITY OF REGISTRY OF SHIPS NOT INVOLVED IN ARCTIC RESUPPLY

Question No. 1,973—**Mr. Forrestall:**

For (a) 1971 (b) 1972, for each of the shipping companies that were not successful in obtaining contracts for hauling Arctic cargo, what were the nationalities of registry for each ship involved?

Hon. Jean Marchand (Minister of Transport):

Company	Vessel	Registry
(a)		
Hall Corporation Shipping (1969) Ltd.	M.V. Chemical Transport	Canadian
Gillespie Munro (1969) Ltd.	M.V. Helga Dan	Danish
(b)		
Transworld Shipping Ltd.	M.V. Wheat King	Canadian
	M.V. Global Envoy	Canadian
	M.V. Yankcanuck	Canadian
	M.V. Northcliffe Hall	Canadian
	M.V. Cabatern	Canadian
Hall Corporation Shipping (1969) Ltd.	M.V. Inland Transport	Canadian
	M.V. Chemical Transport	Canadian
Braemar Shipping Ltd.	M.V. Fort St. Louis	Canadian
	M.V. Fort Chambly	Canadian

[Mr. Marchand (Langelier).]

CONTRACTS FOR HAULING ARCTIC CARGO BY WATER

Question No. 1,974—**Mr. Forrestall:**

1. For the contracts issued in 1971 and 1972 for hauling Arctic cargo by water, were Canadian-owned and Canadian-registered shipping companies and ships given preference and, if not, for what reason?

2. What is the specific policy of the government with respect to this issue, namely, the preferential treatment afforded to Canadian-owned and registered ships and shipping companies?

Hon. Jean Marchand (Minister of Transport): 1. All ships hauling our Arctic cargo in 1971 and 1972 were Canadian Registered.

2. Department of Transport tender specifications and contracts require the contractor(s) to guarantee that all ships used to transport Arctic cargo will be Canadian Registered and, if not British built, then duty fully paid. The Canada Shipping Act only requires that ships being registered in Canada be British owned rather than Canadian owned.

GENERAL CONTRACTOR OF MARINE SHIPPING REQUIREMENTS

Question No. 1,976—**Mr. Forrestall:**

Will the contract for 1973 General Contractor for Marine shipping requirements in the hauling of Arctic cargo by water be made with a view to assisting existing Canadian enterprise over international entries and, if not, for what reason?

Hon. Jean Marchand (Minister of Transport):

	Companies	Permanent Fleet
(a)	Chimo Shipping Limited	Yes
	Agence Maritime Inc.	Yes
	Branch Lines Limited	Yes
	Federal Commerce & Navigation Co. Ltd. (This company operates a permanent Canadian Registered Fleet through subsidiary companies)	Yes
	Transworld Shipping Ltd.	No
(b)	Chimo Shipping Limited Agence Maritime Inc. Branch Lines Limited Federal Commerce & Navigation Co. Ltd.	As above

CONTRACT FOR DISHWASHING MACHINES AND GARBAGE DISPOSAL UNITS

Question No. 2,019—**Mr. Hales:**

1. Was a contract, GG.2592264-3, LK.2702034, for dishwashing machines and garbage disposal units in the amount of $65,208 awarded to Hobart Manufacturing Co. Ltd., Don Mills, Ontario?

2. Where tenders called and, if so (a) what are the names and addresses of those who tendered (b) was the lowest tender accepted?

3. Were there any extra charges over and above the above figure and, if so, what were they?

Hon. Jean Marchand (Minister of Transport): Yes. Tenders are invited from Canadian ship operators and require all ships to be of Canadian Registry.

TRANSPORTATION MODES FOR OFF-LIFTING SEABORNE FREIGHT

Question No. 1,978—**Mr. Forrestall:**

Does the government intend to continue experimenting in improved transportation modes for off-lifting seaborne freight such as by helicopters with respect to haulage of Arctic cargo by water and (a) if so, what steps have been taken to facilitate such experimentation (b) if not, for what reason?

Hon. Jean Marchand (Minister of Transport): The Ministry of Transport has experimented with and developed the helicopter (skycrane) method of discharge to the point that it is now being offered by commercial companies in competition with conventional methods. Furthermore, hovercraft is being developed as a cargo handling method on the Mackenzie River under Government auspices. The Ministry intends to continue exploring improved methods for discharge of cargo.

CANADIAN REGISTRY OF SHIPS INVOLVED IN ARCTIC RESUPPLY

Question No. 1,979—**Mr. Forrestall:**

For (a) 1971 (b) 1972, for each of the shipping companies which secured contracts to haul Arctic cargo, did they operate a permanent fleet under Canadian registry and, if so, which ones?

Hon. Jean Marchand (Minister of Transport):

	Companies	Permanent Fleet
(a)	Chimo Shipping Limited	Yes
	Agence Maritime Inc.	Yes
	Branch Lines Limited	Yes
	Federal Commerce & Navigation Co. Ltd. (This company operates a permanent Canadian Registered Fleet through subsidiary companies)	Yes
	Transworld Shipping Ltd.	No
(b)	Chimo Shipping Limited Agence Maritime Inc. Branch Lines Limited Federal Commerce & Navigation Co. Ltd.	As above

Order Paper Questions

4. Where were the goods used and by what department of government?

5. How were suppliers notified of government requirements?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Separate contracts were awarded for dishwashing machines and garbage disposal units as follows: LK.2702034, Garbage Disposal Units, and GG.2592264-3 for dishwashing machines. Details follow:

GG.2592264-3, Dishwashing Machines.

1. Yes. The contract was $48,453.

2. Yes; (a) Hobart Manufacturing Co. Ltd. Don Mills, Ontario; G. S. Blakeslee & Co. of Canada Ltd., Scarborough, Ontario; (b) Yes.

3. No.

4. The machines were shipped to Canadian Forces Bases at: Summerside, P.E.I.; Debert, N.S.; Gagetown, N.B.; Chatham, N.B.; Valcartier, Que.; Mont Apica, Que.; Kingston, Ont.; North Bay, Ont.; Winnipeg, Man.; Alert, N.W.T. Department of National Defence.

5. By competitive Invitation to Tender.

LK.2702034, Garbage Disposal Units.

1. Yes. The contract was $16,755.

2. No; (a) not applicable; (b) not applicable.

3. No.

4. Armed Forces Naval Vessels by the Department of National Defence.

5. Only Hobart Manufacturing Company Limited was notified by sole source tender.

MAINTENANCE COST OF ST. LAWRENCE RIVER CHANNEL DURING WINTER

Question No. 2,035—**Mr. Boisvert:**

What is the cost of maintaining the St. Lawrence River channel during the winter?

Hon. Jean Marchand (Minister of Transport): The operating cost of icebreakers used to maintain the St. Lawrence River channel during the winter was $1,583,000 for fiscal year 1972-73.

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

Question No. 2,057—**Mr. Hellyer:** (Supplementary)

What statutory responsibility is vested in the Minister of Labour by the Corporations and Labour Unions Returns Act?

Hon. John C. Munro (Minister of Labour): The Corporations and Labour Unions Returns Act, (Revised Statutes of Canada 1970, Vol. II, Chapter C-31, Part III, Section 14) provides, amongst other things, that one duplicate of the statement comprised in Section A of each return filed by a union as required by Part II shall be kept on record in an office of the Department of Labour designated by the Minister of Labour for the purpose, and such duplicates shall be made available for inspection in those respective offices by any person, upon application at any reasonable time and upon payment of such fee, not exceeding one dollar in respect of any one corporation or union, as may be prescribed by the regulations.

URBAN MAIL SERVICES

Question No. 2,071—**Mr. McKenzie:**

How many more trucks, full-time and part-time drivers and total employees does the Post Office Department use in the operation of urban mail services in each of the cities of Victoria, Saskatoon, London, Hamilton, Windsor, Kitchener-Waterloo, Ottawa-Hull, Quebec City, Saint John, Moncton and St. John's, Nfld., as compared to the period up to April, 1972 when private contractors handled the collection and distribution of mail service?

Hon. André Ouellet (Postmaster General):

	Trucks	Drivers Full Time	Drivers Part Time	Total Employees [1]
Victoria	1 more	5 more	6 less	same
Saskatoon	5 more	6 more	5 more	9 more
London	19 more	19 more	7 less	18 more
Hamilton	15 more	8 more	6 more	17 more
Windsor [2]	same	1 more	1 less	same
Kitchener-Waterloo	8 more	9 more	4 less	7 more
Ottawa	1 less	10 more	2 more	17 more
Hull	same	2 more	1 more	3 more
Quebec [3]	same	1 less	1 less	3 less
Saint John, N.B.	1 more	4 more	2 more	9 more
Moncton	1 more	8 more	same	11 more
St. John's, Nfld.	5 more	5 more	2 less	3 more

[1] Includes supervisors, clerical and maintenance personnel.

[2] Windsor has been under Government operation for a number of years. Integrated service consisted of a small operation which had remained under contract.

[3] Figures for Quebec city only include services which were integrated as part of the integration program announced on November 23, 1971. Actually, most Quebec city urban services were integrated in the fall of 1970.

NOTE: The increase in the number of trucks and drivers can be explained as follows: (a) Some contractors were also engaged in the cartage industry and were able to direct trucks and drivers to postal work as required. (b) Some contractors employed owner-drivers to supplement contract requirements during peak or abnormal periods. (c) Some contractors provided incentives for higher productivity. (d) Employees of some contractors were paid on a per item basis and with an incentive plan, worked longer than the 8-hour day in effect for postal drivers. (e) Normal expansion of service to newly developed urban areas.

QUALIFICATIONS FOR POSITION OF CORRECTIONAL OFFICER WITH CANADIAN PENITENTIARY SERVICE

Question No. 2,116—**Mr. Coates:**

1. What are the present qualifications, both as to age and education, for applicants for a position as a Correctional Officer with the Canadian Penitentiary Service?

2. On what date was the present set of qualifications determined and what had been the former level of qualifications from the point of view of age and education?

3. How many applications were processed for positions as Correctional Officers by the Canadian Penitentiary Service in the fiscal year 1972-73?

4. Of the total number of applications processed, how many appointments were made to the service as Correctional Officers?

5. Did all of the appointees meet the basic qualifications for the positions in question and, if not, on how many occasions were the qualifications waived either as to age or education?

6. In the same period of time, how many persons left the employment of the Canadian Penitentiary Service prior to the normal retirement age?

Hon. James Hugh Faulkner (Secretary of State): I have been given the following information by the Public Service Commission. 1. There are no age limit qualifications for applicants for a position of Correctional Officer with the Canadian Penitentiary Service other than the legal minimum age stipulated in the Canada Labour (Standards) Code, which refers to provincial legislation, and the age of retirement as provided by the Public Service Superannuation Act. There are no minimum educational requirements for Correctional Officers in terms of diploma,s certificates or years of education. However, the Selection Standard requires that candidates have the "ability normally required to complete secondary school" which may be evidenced either by completion of Secondary School or by passing a test authorized by the Public Service Commission.

2. A new set of standards was determined in 1972, and the former level of qualifications was flexible insofar as education was concerned and an age limit was in fact 21 to 45 years of age (the top level being waived for veterans).

3. Two thousand fourteen applications were processed for positions as Correctional Officers in the fiscal year 1972-73.

4. Five hundred fifty-three appointments were made to the Service as Correctional Officers.

5. All appointees met the basic qualifications.

6. One hundred eighty-three Correctional Officers left the employment of the Canadian Penitentiary Service prior to the normal retirement age.

Order Paper Questions

NFB FILM "A PROPAGANDA MESSAGE"

Question No. 2,148—**Mr. O'Sullivan:**

1. Did the National Film Board produce a film "A Propaganda Message—Un Message de Propagande" Library No. 106C 0371-076?

2. Was this film commissioned by Information Canada?

3. What was the total cost of production?

4. How many prints of this film were made?

5. Is this film available for distribution across Canada through the National Film Board or Information Canada and, if not, for what reason?

6. Was this film ever placed on a restricted list by the National Film Board and, if so, for what reason?

7. Has this film ever been shown on any CBC television outlet station?

8. Has this film been distributed to film lending libraries outside of Canada and, if so, to what countries?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the National Film Board as follows: 1. Yes.

2. Yes.

3. Total: $131,226.

4. 16mm prints in circulation in Canada, 32; 16mm prints in circulation outside Canada, 6; 35mm prints in circulation in Canada, 9.

5. Yes, the film is available to the Canadian public, free of charge, through the 27 film libraries in NFB offices across Canada.

6. The film was released in January 1972 for distribution in the commercial theaters in Canada through Columbia Pictures of Canada. As is customary in such circumstances, there was a six-month restriction on 16mm distribution in Canada. The film became available in Canada through NFB 16mm library network in July 1972.

7. According to the terms of NFB contract with Columbia Pictures for theatrical distribution, "Propaganda Message" will not be available for television distribution until January 1974.

8. "Propaganda Message" is also being distributed through the following Canadian diplomatic posts: One 16mm print, London, England; one 16mm print, Paris, France; one 16mm print, Chicago, Illinois, U.S.A.; one 16mm print, San Francisco, California, U.S.A.; one 16mm print, New York, N.Y., U.S.A.; one 16mm print, Washington, D.C., U.S.A. In addition, the Paris and New York offices of the National Film Board each have a 35mm print for promotion purposes.

CONSTRUCTION OF TWO HARBOUR TUGS

Question No. 2,185—**Mr. Munro (Esquimalt-Saanich):**

Was a contract signed with Vito Steel Boat and Barge Construction of 9425 River Road, Delta, British Columbia, for the construction of two 45 foot harbour tugs to be used at CFB Esquimalt and originally to be built in West Coast shipyards for delivery August 31, 1973 and, if so (a) was the shipbuilding subcontracted to a boat builder elsewhere than in Brish Columbia and, if so, where (b) was there provision in the original contract permitting such subcontracting (c) for what reason was there no safeguard in the contract to ensure that the vessels would be built in West Coast shipyards (d) what is the new delivery date (e) how is delivery to be effected (f) what increase has there been in the original cost of $545,000 (g) what provision is made in the contract for delivery and the cost of delivery?

Order Paper Questions

Hon. Jean-Pierre Goyer (Minister of Supply and Services): A contract was issued to Vito Steel Boat and Barge Construction, 9425 River Road, Delta, B.C., to construct two 45 foot harbour tugs, to be delivered August 31, 1973, for use at CFB Esquimalt. (a) No, however, construction of the bare hulls was subcontracted to a company at Wheatley, Ontario. (b) Yes. (c) It is not normal departmental policy to place restrictions on a Canadian prime contractor since he is responsible for satisfactory completion of the contract. (d) No change in delivery date. (e) Delivery will be by the contractor, FOB Esquimalt, B.C. (f) None. (g) The contract provides for delivery to Canadian Forces Base, Esquimalt, B.C. and the cost is included in the contract price.

MULTICULTURAL PROGRAM NEWSPAPER SUPPLEMENT

Question No. 2,194—**Mr. Nelson:**

1. In how many ethnic newspapers was the four page supplement outlining the multicultural program inserted by the Minister responsible for Multiculturalism?

2. What was the total cost of inserting the aforementioned supplements?

Hon. James Hugh Faulkner (Secretary of State): 1. One hundred twenty-five.

2. $230,745.

STORAGE OF NATIONAL MUSEUMS ARTIFACTS

Question No. 2,207—**Mr. Forrestall:**

1. (a) In what areas of Canada (b) at what addresses are artifacts of historical significance being presently stored for the National Museums of Canada?

2. What programmes or funding levels are budgeted for the fiscal year ending March 31, 1974 to upgrade such facilities, in terms of climate control, restoration facilities and other factors essential to the proper preservation of artifacts kept for future generations of Canadians?

3. Will the government consider giving the highest priority to undertaking programmes to upgrade and maintain such storage areas to ensure that artifacts held for future generations of Canadians are protected fully against the ravages of time?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the National Museums of Canada and the Department of Public Works as follows: The answer is based on the assumption that all artifacts of the National Museums of Canada are of historical significance: 1. (a) Ontario, Quebec and Manitoba; (b) Uplands Airport, Display Area; Canadian Forces Base Rockcliffe Hangers 66, 67 and 68, 1868 St. Laurent Blvd., Ottawa; Lorne Building, Elgin and Slater Streets, Ottawa; Ashton Press Building, Bells Corners, Ontario; 1523 Laperrière Ave., Ottawa, Ontario; Victoria memorial Museum Building, Metcalfe and McLeod Streets, Ottawa, Ontario; Canadian Forces Base Borden, Camp Borden, Ontario; Canadian Forces Base Shilo, Shilo, Manitoba; 25 COD 6585 Hochelage St., Montreal, P.Q. (school) 6060 Notre Dame, Montreal, P.Q. (depot); Canadian Government Printing Bureau Building, Sacred Heart Blvd., Hull, P.Q.; 7 Murray Street, Ottawa, Ontario; 1306 Wellington Street, Ottawa, Ontario; 330 Sussex Drive, Ottawa, Ontario; 350 Sussex Drive, Ottawa, Ontario; 2818 Bank Street, Ottawa, Ontario.

[Mr. Munro (Esquimalt-Saanich).]

2. The following buildings, where artifacts are being stored, are budgeted for upgrading in the fiscal year ending March 31, 1974: Victoria Memorial Museum, $690,000; Phase II renovations; 330 Sussex Drive $11,000; air conditioning study.

3. Yes.

RECOMMENDATIONS OF PERFORMANCE ASSESSMENT COMMITTEES—ES GROUP

Question No. 2,216—**Mr. Brewin:**

With reference to the Agreement of July 1969 between the Treasury Board and the Professional Institute of the Public Service of Canada for employees in the economic, sociology and statistics group of federal employees where provision was made for movement to the first of the four remaining rates in the ES1 range and to the sixth rate in the ES2 range on the recommendation of a performance assessment committee and approval of the deputy head, has the deputy head withheld his approval to recommendations of performance assessment committees in any cases between the commencement of the Agreement in July 1969 up to March 31, 1973 and, if so, what are the names of the persons concerned and what reason, if any, did the deputy head give for his withholding of approval?

Hon. C. M. Drury (President of the Treasury Board): To the extent of available departmental records, there have been 33 instances in which a deputy head has withheld his approval of performance assessment committee recommendations to move an employee to the upper portions of the ES-1 and 2 salary ranges during the period July 1969 to March 1973.

Reasons for withholding approval were: (1) insufficient length and depth of experience; (2) performance considered not sufficiently outstanding to warrant further progression in the salary range at the time.

BROCHURE ENTITLED "WORKING WITH YOU BETWEEN JOBS"

Question No. 2,219—**Mr. Alexander:**

1. How many copies of "Working With You Between Jobs", issued by the Unemployment Insurance Commission, were printed?

2. What was the cost of (a) printing (b) the plates for the said printing?

3. How many copies of the printing were distributed?

4. What firm, or firms, by way of names and addresses were involved in the printing and distribution?

Mr. Mark MacGuigan (Parliament Secretary to Minister of Manpower and Immigration): 1. There is no UIC publication such as "Working with You Between Jobs". This title was a slogan used earlier this year for two brochures forming part of the information kit on the new approach and on the proposed decentralization of Offices of the Commission.

2. (a) and (b), $2,430.31.

3. Two thousand three hundred fifty (the total of the two brochures).

4. The printing was done by the Queen's Printer and the distribution by the Commission's staff.

R CLASS ICEBREAKERS

Question No. 2,232—**Mr. Forrestall:**

1. Has the government approved final construction of any of the R class icebreakers and, if so (a) on what date will contracts be announced (b) what is the level of funding presently authorized for such construction?

2. For how many such R class icebreakers has approval in principle been given?

Hon. Jean Marchand (Minister of Transport): 1. (a) November 1, 1973. (b) $17,500,000.

2. One.

REVENUE FROM AND PROBLEMS RELATED TO ALCOHOL

Question No. 2,237—**Mr. Mather:**

1. What was the total federal revenue from beer, wine and spirits in 1972?

2. What, in the same year, was the estimated cost in illness, motor vehicle fatalities, social problems and crime related to alcoholism?

3. What, in the same year, was the total federal expenditure on anti-alcoholism programs?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as the Department of National Revenue, Customs and Excise, Statistics Canada, and the Department of National Health and Welfare are concerned, the answer is as follows: 1. Final revenue statistics are not yet available for the fiscal year 1972-73. The following are tentative figures for this period with respect to federal revenue collected by way of Excise Duty and Excise Tax on beer, wine and spirits. These figures do not include revenue from sales tax imposed by the Excise Tax Act as such funds are recorded in one account without any distinction as to sources. Fiscal year: 1972-73, beer, $166,-833,492.67; wine, $10,006,021.88; spirits, $249,312,084.19; total $426,151,598.74.

2. Statistics Canada does not collect data or make estimates on the cost of illness, nor on social problems or crime related to alcoholism. Statistics Canada does collect data on the number of motor vehicle fatalities where the ability of the driver had been impaired by alcohol, or where pedestrians who were hit and killed by motor vehicles had been drinking. However, data are not yet available for 1972.

3. Under the Hospital Insurance and Diagnostic Services and the Medicare Acts, a considerable amount of money is spent annually on the treatment of alcoholics. Because such detailed information is not recorded under these programs, even an approximation of such costs cannot be determined. Under the Canada Assistance Plan, the federal government shares with the provinces and municipalities in the cost of providing institutional care, mainly in the form of half-way houses, and counselling and social rehabilitation services to alcoholics. Again it is impossible to isolate such costs. Also, certain projects which deal in part but not entirely with problems relating to alcohol abuse have also received funding under the Non-Medical Use of Drugs program. Total expenditures for these projects have increased from $28,935 in 1971-72 (the first year of the Non-Medical Use of Drugs program) to $335,235 in 1972-73. In 1971-72, the Department spent the following specifically on anti-alcoholism programs: National Welfare Grants, $26,128; Sustaining Health Grant, $15,000; Medical Services, $34,205; National Health Grant, $43,618.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS—EMPLOYMENT OF FRANCOPHONES

Question No. 2,243—**Mr. MacKay:**

1. Is the Department of Consumer and Corporate Affairs having problems employing Francophones and reaching French Canadian consumers and, if so, for what reasons?

2. What percentage of the Department of Consumer and Corporate Affairs employees are francophones and what are their positions?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1. No.

2. Thirty-one per cent Francophones falling into the following groups and categories as of 31 May 1973.

Senior Executive Category

Professional and Scientific Category: Auditing; Chemistry; Economics, sociology and statistics; Law; Scientific Regulation.

Administrative and Foreign Service Category: Administration Services; Administrative Trainee; Financial Administration; Information Services; Organization and Methods; Personnel Administration; Program Administration; Purchasing and Supply; Commerce.

Technical Category: Technical Inspection; Products Inspection; Engineering and Scientific Support.

Administrative Support Category: Data Processing; Clerical and Regulatory; Office Equipment Operations; Secretarial Stenographic.

Operational Category: General Services.

CANADA COUNCIL GRANTS TO MUSICAL COMPOSERS IN QUEBEC

Question No. 2,253—**Mr. Lambert (Bellechasse):**

Has Canada Council granted scholarships to musical composers from Quebec during the fiscal year 1972-73 and, if so (a) how many (b) for what amount (c) to how many persons in the constituency of Bellechasse?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canada Council as follows: (a) Thirteen grants. (b) The total amount of these grants was $20,690. (c) None.

OFY—1973 PROJECTS IN NEWFOUNDLAND

Question No. 2,259—**Mr. Marshall:**

1. How many OFY projects were approved in Newfoundland in (a) 1972 (b) 1973?

2. What was the average cost per project for the approval process?

3. What will be the total cost of the OFY Program in 1973 for Newfoundland?

4. How many jobs were created by the OFY Program in 1973 in Newfoundland?

5. In 1973 how many (a) students (b) non-students have been hired by OFY projects in Newfoundland?

Order Paper Questions

Hon. James Hugh Faulkner (Secretary of State): 1. (a) 145; (b) 256.

2. The Administrative expenses of Opportunities for Youth are not constructed in such a manner as to provide this type of information.

3. As of June 18, grants to 1973 OFY Program projects in Newfoundland amount to $1,470,694.

4. There are 1894 project participants in the 1973 OFY Program in Newfoundland.

5. In the 1973 OFY Program in Newfoundland, (a) 1753 Project participants are students, and (b) 141 project participants are non-students.

INQUIRY INTO THE SINKING OF THE "LADY AUDETTE"

Question No. 2,264—**Mr. Howie:**

To whom and how much was paid to non-departmental personnel for services rendered in the inquiry into the sinking of the *Lady Audette?*

Hon. Jean Marchand (Minister of Transport):

Name	Amount
Blaise Hache	$ 15.00
Eugene Turbide	15.00
Alphonse Finn	60.00
Dorianne Noel	15.00
Simeon Lanteigne	45.00
Romeo Michon	15.00
Jean R. Hemond	2,900.00
Aldeo Gionet	225.00
Edoardo Weis	100.00
Conrad Blanchard	45.00
Henri-Jean Blanchard	15.00
Donat Vienneau	15.00
Audber & Winston Matthews	30.00
Prospere Legere	30.00
Stan Dugas	15.00
Rejean Robichaud	15.00
Abbe Legere	15.00
Philorome Chiasson	15.00
Leo Paulin	30.00
Gelas Hache	30.00
Elphage Hache	15.00
Clifford Chiasson	15.00
Bernard M. Deschenes	16,000.00
Willie Deraspe	1,500.00
Rodolphe Hache	45.00
Raymond Savoie	15.00
Thomas L. McGloan	6,852.50
Cove Hatfield & Company Ltd.	6,550.00
Claude Le Bouthillier	15.00
O. A. Nielson	500.00
Total	$35,152.50

[Mr. Marshall.]

FEDERAL FUNDING—MISAWA HOMES OF CANADA LIMITED

Question No. 2,266—**Mr. Jelinek:**

What government agencies, if any, are involved with Misawa Homes of Canada Limited and has there ever been at any time any federal funding of this Company?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as the Department of External Affairs is concerned, the department is presently seeking authority for payment of a $37,500 contribution to match identical contributions by the government of the province of Manitoba and the Misawa Homes Company Limited of Japan for the construction by Misawa Homes of Canada Limited of 10 prefabricated housing units to assist in the resettlement of victims of the Westman Islands disaster. In so far as the Department of Manpower and Immigration is concerned, a Training-in-Industry agreement was signed on July 25, 1972 at an estimated Canada cost of $31,595.40 for the training of 42 workers. In so far as the Department of Regional Economic Expansion is concerned, an offer of incentive assistance in the amount of $282,377 was accepted on April 28, 1972 by Misawa Homes of Canada Limited for a facility at Gimli, Manitoba; a payment in the amount of $203,078 was made on April 18, 1973.

POST OFFICES IN CHARLEVOIX CONSTITUENCY

Question No. 2,301—**Mr. Caouette (Charlevoix):**

1. Which post offices in the constituency of Charlevoix serve more than 1,000 persons?

2. During the past three years, who tendered for maintenance contracts in each such post office?

3. Who obtained the contract and at what price?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Post Office Department and the Department of Public Works as follows: 1. We do not have a listing as to the number of persons. We have householder lists which give the following figures: Forestville, 1,052; La Malbaie, 1,035.

2. Forestville, P.Q. (Maintenance work). Tenders were opened on February 17, 1970. Three tenders were received: 1. Charles Roy, Forestville, P.Q; 2. Gilles Lessard, Forestville, P.Q.; 3. Paul E. Lavoie, Forestville, P.Q. La Malbaie, P.Q. (Maintenance work). There were no tenders called for maintenance work at this location as the service is provided by the caretaker.

3. Forestville, P.Q. The contract was awarded to the lowest bidder, Charles Roy, on February 23, 1970, in the amount of $239.50 per month.

POST OFFICE, TOLEDO, ONTARIO

Question No. 2,308—**Mr. Cossitt:**

1. Was the Post Office in Toledo, Ontario moved on or about March 19, 1973 and, if so, to where and for what reason?

2. Was the Post Office in Toledo, Ontario again moved on or about June 17, 1973 to the Shell Service Station in Toledo, Ontario and, if so, for what reason?

3. What permanent plans does the Post Office Department have for the location of the Post Office in Toledo, Ontario?

4. Is the position of Postmaster vacant in Toledo, Ontario or is it about to become vacant and, if so, does the Department intend to invite applications by public advertisement for this position?

Hon. André Ouellet (Postmaster General): 1. The Toledo, Ontario Post Office was moved on 19 March 1973 from the Shell Service Station to the Postmaster's residence due to the bankruptcy of the business.

2. On June 15, the Postmaster moved the office back to the Service Station as she managed to rent the original postal space from the new management of the station.

3. Postal premises for such post offices as Toledo must be provided solely by the Postmaster. There are no plans to relocate the office since the premises now are suitable.

4. The position of Postmaster at this office is not vacant at the present time.

TRIP OF MINISTER OF FINANCE TO REGINA, JUNE, 1973

Question No. 2,315—**Mr. Cossitt:**

1. Was the Minister of Finance in Regina on June 13, 1973 and, if so, was such trip paid for by public funds?

2. What was the total cost to the government of such trip by the Minister including any public expenditures for persons accompanying him?

3. Did the purpose of this trip include making an address to the Saskatchewan Liberal Association?

Hon. John N. Turner (Minister of Finance): 1. (a) Yes. (b) No.

2. Nil. The minister's expenses were paid by the Liberal Party of Saskatchewan.

3. Yes.

LIP—NUMBER OF JOBS PROVIDED

Question No. 2,317—**Mr. Alexander:**

1. (a) What method is used to calculate the number of jobs provided under the Local Initiatives Program with an example of the calculation for the years 1971-72 and 1972-73 (b) how many jobs were provided in those periods as well as in 1973 to date?

2. (a) What method is used to calculate the number of persons employed under the Local Initiatives Program for the years 1971-72 and 1972-73 with an example of the calculation (b) how many persons were employed in those periods as well as in 1973 to date?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. (a) The method used to calculate the number of jobs provided under the Local Initiatives Program for 1971-72 and 1972-73 was identical. For each project the highest number of jobs for any one month recorded in the contract between the Department of Manpower and Immigration and the sponsor of the project was considered to have been created for that project. e.g. if the contract stated that the jobs created would be as follows: No. of Jobs, January, fifteen; February, sixteen; March, eighteen; April, fifteen; May, fourteen. Eighteen was taken as the number of jobs created for the project. The sum of these figures provides the number of jobs created under the Local Initiatives Program for 1971-72 and 1972-73; (b) Jobs created under the 1971-72 program, 92,321; Jobs created under the 1972-73 program, 85,811 to August 2, 1973.

2. (a) and (b) Information concerning the number of persons actually employed under the Local Initiatives Program 1971-72 and 1972-73 is not available. Sponsors were only required to report the number of manweeks of word carried out under the project and no information was sought on the number of people actually employed.

MARITIME COMMAND—SEABED DETECTION DEVICES

Question No. 2,332—**Mr. Forrestall:**

1. What plans does the Department of National Defence have for permanent seabed, active and passive, detection devices?

2. What is the nature of existing capability with regard to permanent seabed detective devices?

Hon. James Richardson (Minister of National Defence): 1 and 2. It is not considered to be in the national interest to disclose Canadian plans or capability in respect of seabed detection systems.

UPGRADING OF ICEBREAKERS

Question No. 2,337—**Mr. Forrestall:**

1. In what specific modifications is the government considering to upgrade 3 heavy and 5 medium icebreakers over the next five years as indicated in answer to Question No. 1,900?

2. To what degree will the vessels be available to Maritime Command for the purpose of a military presence in the Canadian Arctic?

Hon. Jean Marchand (Minister of Transport): 1. *CCGS LABRADOR*—Increased power and modifications in the engine room and accommodation. *CCGS JOHN A. MacDONALD*—Increased power and bow modification. *CCGS NORMAN McLEOD ROGERS*—Hull strengthening. As to the medium icebreakers we are considering modifications to the bows. Studies are under way to see to what extent their power should be increased.

2. Canadian Coast Guard ships would not normally be available to Maritime Command. The Coast Guard and Canadian Forces already co-operate closely in the north. Every year, Canadian Forces officers travel aboard Coast Guard ships in the north. This season, *CCGS SIR WILLIAM ALEXANDER* will be dedicated entirely to a DND mission. This co-operation will be strengthened as required subject to Coast Guard commitments.

ARCTIC ICEBREAKER CAPABILITY

Question No. 2,338—**Mr. Forrestall:**

1. Does Canada believe that it has at present an absolute (a) technological (b) practical lead in Arctic icebreaker capability?

2. Does the government believe that this lead can be sustained without active building programmes and prototype construction?

Hon. Jean Marchand (Minister of Transport): 1. (a) The Coast Guard has established an icebreaker develop-

ment group, part of whose duties is to keep the Coast Guard abreast of the latest technological developments throughout the world; (b) In terms of the Canadian Arctic, the Coast Guard has more expertise in building and operating ships than any other nation.

2. Yes.

REPLACEMENT OF CANADIAN COAST GUARD "DETECTOR"

Question No. 2,340—**Mr. Forrestall:**

1. (a) On what date will the survey and sounding vessel Canadian Coast Guard *Detector*, now 58 years old; be replaced (b) with what will it be replaced?

2. Will consideration be given to having this vessel preserved for historical purposes?

Hon. Jean Marchand (Minister of Transport): 1. (a) *CCGS DETECTOR* is still a reliable and active vessel with a number of years of service left in her. There is, therefore, no requirement for an immediate replacement; (b) Not applicable.

2. If sufficient interest and funds are available, this will be considered at the end of her service life.

REPLACEMENT OF CCGS "ERNEST LAPOINTE"

Question No. 2,341—**Mr. Forrestall:**

1. On what date will the light icebreaker, survey and sounding vessel Canadian Coast Guard *ERNEST LAPOINTE*, now 43 years old, be replaced and with what will it be replaced?

2. Will such replacement vessel have ice capability and (a) if so, of what nautre, (b) if not, for what reason?

Hon. Jean Marchand (Minister of Transport): 1. *CCGS ERNEST LAPOINTE* has still many years of active service left and there are no plans to replace her at present.

2. Not applicable.

REPLACEMENT OF "CCGS N.B. McLEAN"

Question No. 2,342—**Mr. Forrestall:**

1. On what date will Canadian Coast Guard vessel *N.B. McLEAN*, now 43 years old, be replaced and with what will it be replaced?

2. Will such vessel have ice capability and (a) if so, of what nature (b) if not, for what reason?

Hon. Jean Marchand (Minister of Transport): 1. *CCGS N.B. McLEAN* has been reboilered this year and there are no plans to replace her at present.

2. Not applicable.

CONSTRUCTION COST OF CNR TO DATE

Question No. 2,344—**Mr. Allard:**

What is the total construction cost of CNR to date?

Hon. Jean Marchand (Minister of Transport): The management of the Canadian National Railways advises as follows: In the absence of a precise definition of "total construction cost" it is assumed that the question refers to the Total Property Investment in Road, Equipment and Other Physical Properties as at December 31, 1972. These figures are shown in the Consolidated Balance Sheet on pages 38 and 52 of Canadian National Railways Annual Report for 1972 and on pages 43 and 57 in the Property Investment Statement. Reference should also be made to Note 1: Property Investment on pages 40 and 54 of the report in connection with the bases for accounting for properties and equipment.

POWER CORPORATION OF CANADA, LIMITED

Question No. 2,347—**Mr. Gauthier (Roberval):**

1. To the knowledge of the government (a) who is the president of the Power Corporation Company (b) who are the directors (c) what are the names of its subsidiaries (d) what is the value of its commercial operations?

2. Is it a Canadian-controlled corporation and, if so, in what percentage?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): 1. As reported in the Annual Summary for the period ending March 31, 1973 filed with the Corporations Branch: (a) Mr. Jean Parisien is president of Power Corporation of Canada, Limited. (b) The directors of Power Corporation of Canada, Limited are: Mr. Wilbrod Bherer, Mr. A. E. Campeau, Mr. Peter D. Curry, Mr. Louis Desmarais, Mr. Jean-Paul Gignac, Mr. W. Earle McLaughlin, Mr. A. D. Nesbitt, Mr. Paul Desmarais, Mr. Paul Britton Paine, Mr. Jean Parisien, Mr. Claude Pratte, Hon. J. P. Robarts, P.C., Q.C., Mr. R. C. Scrivener, Mr. J. M. Seabrook, Mr. P. N. Thomson, Mr. W. I. M. Turner. (c) Subsidiaries are: Canada Steamship Lines, Limited; Dominion Glass Company Limited; Laurentide Financial Corporation Ltd.; The Imperial Life Assurance Company of Canada; The Investors Group. (d) Total assets for 1972, $422,690,000.

2. 1970 and 1971 CALURA returns indicate that the majority of shares issued, in all classes of shares, were issued in Canada. However, the department does not have information as to nationality of ownership of shares.

SALE OF LAND ON NORTH SHORE OF VANCOUVER WATERFRONT

Question No. 2,359—**Mr. Reynolds:**

1. Did the National Harbours Board sell a 50-acre site on the North Shore of Vancouver Waterfront, presently owned by the Fullerton Lumber Company, in 1971 and, if so, how much did the Company pay the National Harbours Board for this property?

2. Has the government purchased this site or does it have it under option, and, if so, how much has the government paid for this site or how much does it intend to pay?

3. Is the Fullerton Lumber Company substantially controlled by foreign interest and, if so, who are the principals?

Hon. Jean Marchand (Minister of Transport): The National Harbours Board advises as follows: 1. The Fullerton Lumber Company received Letters Patent in September 1971 covering 49.08 acres fronting Block 23 DL 265 North Vancouver. Authority to issue Letters Patent originated from a Department of Marine and Fisheries' lease dated 1908. The said lease contained the provision that the Crown would Quit Claim to the lessees (originally J. P. Fell and H. Heywood-Lonsdale) any portion of the lease-

hold reclaimed by the lessees under authority of NWPA. By virtue of the old Marine and Fisheries' lease, the lessee was able to purchase the property for $1. We are advised that the Fullerton Lumber Company spent something in the neighbourhood of $1,500,000 for fill material. Further, the lessee has paid lease rental to the appropriate government agency, i.e. Department of Marine and Fisheries, Vancouver Harbour Commissioners and National Harbours Board since 1908 at rates that have been current in the community throughout the years.

2. No.

3. The Fullerton Lumber Company has title to the property and the Company's principals are: James Fullerton, James Fullerton III, Robert Morely and Robert J. Simmonsen. The Registrar of Companies has the same address for all four of these men viz 1200 Roan Oake Building, Minneapolis, Minnesota, U.S.A.

UNEMPLOYMENT INSURANCE COMMISSION—OTTAWA DISTRICT OFFICE

Question No. 2,367—**Mr. Cossitt:**

1. Has there been a general breakdown in efficiency in dealing with unemployment insurance claimants by the UIC Office in Ottawa and, if so, what immediate steps does the government plan to take to improve this situation?

2. Who is the Manager of the UIC Claims Office in Ottawa and what was the date of his appointment?

3. Will steps be taken to immediately improve service to Members of Parliament and their staffs when they make inquiries to this Office concerning problems with constituents' claims?

4. Is the government taking immediate action to improve the public relations image of this Office and, if so, what is being done?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. There has not been a general breakdown in the efficiency of the Ottawa Office of the Unemployment Insurance Commission. An analysis of the performance of the office in the last few months shows that service to the public has been improving, in that claimants are being dealt with more quickly and inquiries concerning difficult cases have been reducing.

2. The manager is Mr. Laurent Ledoux who was appointed April 2, 1973.

3. The Office has made constant efforts to provide effective service to the nine Members of Parliament in the area served by the office. The Ottawa District Office has staff specially trained to handle inquiries efficiently and as quickly as possible. The results indicate that this service serves a very useful purpose. In addition, the plans with respect to the decentralization of its services that the Commission is now putting into effect include opening a number of other offices in the area, which will further improve the service to the public.

4. It is not the policy, in so far as the UIC is concerned, to run a campaign, at a local level, to improve the public relations image of any district or regional office. Locally it is more a question of service than of advertising. The image campaign is usually done, for the federal government departments, corporations or agencies, on a national level, through mass medias, brochures, information sheets, etc, and it applies, in general, to every local offices across the country.

EXPANSION OF ROBERTS BANK SUPER PORT

Question No. 2,380—**Mr. Reynolds:**

1. Is there a detailed plan for the expansion of Roberts Bank super Port and, if so, what is it?

2. Have tenders been called for any dredging for the Roberts Bank super Port?

3. Has an environmental study been done or is one being planned before any of this work is continued?

4. Are there any plans to meet with the Municipality of Delta to consider road access to any expansion of the Port, availability of water and services from the municipality to the super Port?

Hon. Jean Marchand (Minister of Transport): The National Harbours Board advises as follows: 1. No detailed plan has been prepared to date; there is a preliminary sketch of a proposed expansion.

2. No.

3. An environmental study is currently under way and will be completed prior to any submission being prepared for Treasury Board approval in principle.

4. Yes, in due course as present planning matures.

DEPARTMENT OF LABOUR PERSONNEL

Question No. 2,382—**Mr. Reynolds:**

For what reason did staff, earning $20,000 or more a year, of the Department of Labour increase from nil in 1963 to 49 in 1973, as stated in answer to Question No. 1,091 on March 26, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): There have been several factors leading to the increase in the number of staff in the Public Service earning $20,000 or more a year. Increases in salaries and total growth of the Public Service have been two important factors. For example, a salary of $20,000 in the Public Service in 1973 is roughly equivalent to a salary of only $11,500 in 1963, allowing for the various wage increases during the intervening period. This rate of increase was generally comparable to the national trend. In 1963 the Public Service included approximately 154,000 continuing full-time employees. Of this number, about 2,330, or 1.5 per cent, earned $11,500 or more a year. At the present time, the Public Service includes approximately 209,000 continuing full-time employees with about 6,230, or 3 per cent, earning in excess of $20,000. The doubling in the percentage of staff earning this level of salary can be explained by the vastly increased complexity of the responsibilities of government during the past decade. The federal spending program has grown from $7.2 billion in 1964-65 to $18.4 billion in the current year. This has necessitated both an increase in management personnel and an expansion in the types of research, planning and advisory staff of the type that receive salaries in this range throughout the Canadian economy.

Order Paper Questions

DEPARTMENT OF ENERGY, MINES AND RESOURCES PERSONNEL

Question No. 2,383—**Mr. Reynolds:**

For what reason did staff, earning $20,000 or more a year, of the Department of Energy, Mines and Resources increase from 109 in 1970 to 285 in 1973, as stated in answer to Question No. 1,046 on March 28, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

DEPARTMENT OF SOLICITOR GENERAL PERSONNEL

Question No. 2,384—**Mr. Reynolds:**

For what reason did staff, earning $20,000 or more a year, of the Department of the Solicitor General increase from nil in 1963 to 182 in 1973, as stated in answer to Question No. 1,093 on April 2, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE PERSONNEL

Question No. 2,385—**Mr. Reynolds:**

For what reason did staff, earning $20,000 or more a year, of the Department of National Health and Welfare increase from 282 in 1970 to 508 in 1973, as stated in answer to Questions No. 1,077 on April 4, 1973 and No. 1,095 on April 11, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

POST OFFICE DEPARTMENT PERSONNEL

Question No. 2,386—**Mr. Reynolds:**

For what reason did staff, earning $20,000 or more a year, of the Post Office Department increase from nil in 1963 to 146 in 1973, as stated in answer to Question No. 1,084 on April 4, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

INFORMATION CANADA PERSONNEL

Question No. 2,387—**Mr. Reynolds:**

For what reason did staff, earning $20,000 or more a year, of Information Canada increase from six in 1970 to 25 in 1973 as stated in answer to Question No. 1,083 on April 11, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

[Mr. Reid.]

DEPARTMENT OF PUBLIC WORKS PERSONNEL

Question No. 2,388—**Mr. Reynolds:**

For what reason did staff, earning $20,000 or more a year, of the Department of Public Works increase from four in 1963 to 143 in 1973, as stated in answer to Question No. 1,092 on May 14, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

DEPARTMENT OF AGRICULTURE PERSONNEL

Question No. 2,389—**Mr. Reynolds:**

For what reason did staff, earning $20,000 or more a year, of the Department of Agriculture increase from nil in 1963 to 360 in 1973, as stated in answer to Question No. 1,096 on May 30, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

DEPARTMENT OF THE ENVIRONMENT PERSONNEL

Question No. 2,390—**Mr. Reynolds:**

For what reason does the Department of the Environment have a staff of 425 earning over $20,000 a year as stated in answer to Question No. 1,045 on March 28, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

DEPARTMENT OF SECRETARY OF STATE PERSONNEL

Question No. 2,391—**Mr. Reynolds:**

For what reason does the Department of the Secretary of State have a staff of 105 earning over $20,000 a year as stated in answer to Question No. 1,087 on March 14, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS PERSONNEL

Question No. 2,392—**Mr. Reynolds:**

For what reason did staff, earning $20,000 or more a year, of the Department of Consumer and Corporate Affairs increase from 28 in 1970 to 82 in 1973, as stated in answer to Question No. 998 on March 14, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

DEPARTMENT OF VETERANS AFFAIRS PERSONNEL

Question No. 2,393—**Mr. Reynolds:**

For what reason did staff, earning $20,000 or more a year, of the Department of Veterans Affairs increase from two in 1963 to 265 in 1973, as stated in answer to Question No. 1,094 on March 12, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

DEPARTMENT OF NATIONAL REVENUE PERSONNEL

Question No. 2,394—**Mr. Reynolds:**

For what reason did staff, earning $20,000 or more a year, of the Department of National Revenue, Taxation increase from nil in 1963 to 313 in 1973, as stated in answer to Question No. 1,089 on April 2, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

DEPARTMENT OF EXTERNAL AFFAIRS PERSONNEL

Question No. 2,395—**Mr. Reynolds:**

For what reason did staff, earning $20,000 or more a year, of the Department of External Affairs increase from 13 in 1963 to 284 in 1973, as stated in answer to Question No. 1,086 on March 28, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

DEPARTMENT OF FINANCE PERSONNEL

Question No. 2,396—**Mr. Reynolds:**

For what reason did staff, earning $20,000 or more a year, of the Department of Finance increase from one in 1963 to 80 in 1973, as stated in answer to Question No. 1,088 on March 12, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

NUMBER OF CENSUS-FARMS IN CANADA

Question No. 2,402—**Mr. Mather:**

What was the number of farms in Canada in 1950, 1960 and 1970?

Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Data on the number of farms in Canada are not available for the years 1950, 1960 and 1970, however, data are available on the number of census-farms in Canada for the years 1951, 19161 and 1971.

Year	No. of Census Farms
1951	623,091
1961	480,903
1971	366,128

A "census-farm" is defined as an agricultural holding of 1 acre or more with sales of agricultural products during the previous 12 months of $50 or more.

Order Paper Questions

ONTARIO REGIONAL OFFICE HEADQUARTERS

Question No. 2,404—**Mr. Atkey:**

1. For what reason is the Department of Manpower and Immigration Regional Office in Toronto planning to move into the Canada Square Building at the corner of Eglinton Avenue at Yonge Street, when the Regional Office recommended against such a move, favouring instead the Olympic and York Tower at King Street and York Street offering equivalent accommodations and facilities at a lower price?

2. Will the above offices in the Canada Square Building be serviced by the WATS line telephone system and, if so, what is the additional cost of this system above and beyond ordinary telephone equipment and service in view of the fact that Bell Canada does not normally provide this service north of St. Clair Avenue?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. Although initially the Department of Manpower and Immigration and Immigration Ontario Regional Office indicated a preference for the York Centre Building, on the basis of final cost figures provided for both the Canada Square Building and the York Centre Building, the Ontario Regional Office recommended the leasing of office accommodation in the Canada Square Building.

2. Yes; there will be no additional cost for the WATS line telephone service as Bell Canada normally provides this service north of St. Clair Avenue.

TREASURY BOARD PERSONNEL

Question No. 2,406—**Mr. Reynolds:**

Has the staff of the Treasury Board earning $20,000 or more a year, increased from 150 in 1963 to 319 in 1973 and, if so, for what reason?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE PERSONNEL

Question No. 2,407—**Mr. Reynolds:**

For what reason does the Department of Industry, Trade and Commerce have a staff of 698 earning over $18,000 a year as stated in answer to Question No. 201 on February 5, 1973?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): See answer to question No. 2,382 answered this day.

GRANTS TO FAMILY PLANNING CLINICS

Question No. 2,413—**Mr. Leggatt:**

1. What was the total amount of money granted to family planning clinics during the fiscal year 1972-73 and what is the estimated amount for 1973-74?

2. What was the total amount of money granted to groups (excluding family planning clinics) engaged in sex education, family planning, birth control counselling, abortion counselling and venereal disease counselling during the fiscal year 1972-73 and what is the estimated amount for 1973-74?

3. What were the reported number of venereal disease incidents in Canada during 1970, 1971 and 1972?

Order Paper Questions

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Health and Welfare, Manpower and Immigration and Statistics Canada as follows: 1. (a) Total amount of money granted to family planning clinics during the fiscal year 1972-73, $118,767; (b) Estimated amount for 1973-74, approximately the same; (a) Total amount of money granted to groups (excluding family planning clinics) engaged primarily in sex education, family planning, and birth control counselling during the fiscal year 1972-73, $1,031,233; (b) Estimated amount for 1973-74, approximately the same; 1970, $34,045; 1971, $36,894; 1972, $44,577.

2. 1971-72, $342,852; 1972-73, $303,888 paid out as of July 16, 1973; 1972-73, $225,371 estimated for extentions for May to November 1973.

3. The number of venereal disease notifications in Canada for the years 1970, 1971, and 1972 were as follows:

	1970	1971	1972
Gonococcal infections	31,544	34,405	41,467
Syphillis	2,501	2,489	3,064
Other venereal diseases	3	3	5
Total	34,048	36,897	44,536

SUMMER REGISTRATION OF STUDENTS AT 100 YOUVILLE PLACE, QUEBEC CITY

Question No. 2,417—**Mr. Godin:**

1. During the summer, how many students registered at the placement office established especially for them at 100 Youville Place, Quebec City?

2. How many were offered jobs and what are their names and addresses?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. As of 10 July, 1973, there were 8,611 students registered at the placement office established especially for them at 100 Youville Place, Quebec City. Complete statistics will not be available until September.

2. As of 10 July, 1973, 2,700 of these students were referred to jobs of which 1,044 were placed in employment. Again, complete statistics will not be available until September. It is not the policy of the Department to publish the names and addresses of job applicants.

COLLISION BETWEEN "GREENPEACE III" AND FRENCH NAVAL VESSEL "LA PAIMPOLAISE"

Question No. 2,424—**Mr. Wagner:**

Has the Department of External Affairs requested from the French Government damages due the *Greenpeace III* as a result of the ramming attack of the French during the last Mururoa nuclear test and (a) if so, on what date (b) if not, for what reason?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As a result of the collision of his ketch the *Greenpeace III* with the French naval vessel, "La Paimpolaise", Mr. McTaggart the owner, through his legal counsel, with whom the Department of External Affairs has been in close touch, requested the French government to pay compensation. Earlier this year, the French government denied any liability for the collision and declined to pay compensation to Mr. McTaggart.

The Department of External Affairs, has, on several occasions, before and after that denial, made representations to the French authorities in respect of Mr. McTaggart's claim and is continuing to use its good offices with the French authorities with a view to having the French government reconsider their position so that a settlement of the matter can be reached in a manner satisfactory to both parties. The latest Canadian demarche was incorporated in a note of June 8, 1973 delivered to the French Foreign Ministry by our Embassy in Paris.

International law normally requires that local remedies must first be exhausted before a state can consider espousing the claim of one of its citizens against a foreign state. Therefore, in addition to representations respecting Mr. McTaggart's claim for compensation, the Canadian Embassy in Paris was instructed to seek advice in France as to what legal remedies might be available to Mr. McTaggart there. The Embassy's lawyers expect to complete their study of this matter shortly.

LIP—P-P JANITORIAL SERVICE, VERDUN

Question No. 2,437—**Mr. Cossitt:**

1. Has P-P Janitorial Service, 258 1st Avenue, Verdun, ever received a LIP grant from the government and, if so (a) what were the amounts of any grants received (b) on what date or dates were applications received for such grants (c) who were the applications signed by (d) what are the names of all persons who recommended such grants to the government?

2. Has any grant given to P-P Janitorial Service been recently extended and, if so, for how long and what is the amount of money involved in the extension?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Yes. (a) for 1971-72, $157,930; for 1972-73, $175,476—as of July 10, 1973; (b) January 7, 1972 and November 2, 1972; (c) Patrick Paterson; (d) Patrick Barry, Napoléon Lauzon, Roger Pépin.

2. Yes. October 12, 1973, for $111,126.

NEW HORIZONS PROJECT

Question No. 2,438—**Mr. Mazankowski:**

1. How many New Horizons project applications (a) were received (b) were approved throughout Canada as of May 31, 1973?

2. By province, as of May 31, 1973 (a) what was the number of projects (i) received (ii) approved (b) what was the amount of funds granted.

Hon. Marc Lalonde (Minister of National Health and Welfare): As of May 31st, 1973: 1. (a) 1,868; (b) 630.

2.

Province	Projects Approved		Amount
Newfoundland	21	11	$ 87,060
Pirnce Edward Island	21	15	$ 49,086
Nova Scotia	69	23	$ 285,112
New Brunswick	70	32	$ 246,138
Quebec	644	163	$1,004,206
Ontario	452	175	$1,185,408
Manitoba	102	41	$ 233,906
Saskatchewan	130	42	$ 214,433
Alberta	110	46	$ 372,166
British Columbia	245	80	$ 457,993
N.W.T.	4	2	$ 9,136
Total	1,868	630	$4,144,644

MOUNT HOPE AIRPORT

Question No. 2,444—**Mr. O'Sullivan:**

1. Has the government conducted any study of the possible effects of air and noise pollution from the proposed expansion of facilities and use at Mount Hope Airport?

2. Has any such study been requested by the Department of Transport?

3. Has the government received any representations concerning the possible medical implications of the proposed expansion and, if so, from whom?

Hon. Jean Marchand (Minister of Transport): 1. The Ministry of Transport has conducted extensive studies in terms of noise contours at Mount Hope Airport. MOT has not yet studied possible air pollution. See answer (2) below.

2. Terms of reference for studies on possible air pollution are now nearing completion, and such studies will shortly be undertaken by an agency other than MOT.

3. Yes. The brief of the Hamilton Academy of Medicine which was sent to Hamilton City Council was made available to Ministry officials in Toronto and Ottawa on June 14th. The Minister was further verbally briefed by Dr. Pengelly on behalf of the Academy at a meeting on July 5th.

INCREASE IN TRAFFIC ON NORTH SYDNEY TO PORT-AUX-BASQUES FERRY SERVICE

Question No. 2,456—**Mr. Marshall:**

Has there been an increase in ferry service by, (a) 12.6 per cent in passengers; (b) 13.0 per cent in automobiles; (c) 62.6 per cent in trucks; between Port-aux-Basques and North Sydney and, if so, what action is being taken to cope with the steady increase beyond the one additional ship being built?

Hon. Jean Marchand (Minister of Transport): The traffic increases given are correct average increases for the 1972 year, except that the increase in trucks was 28 per cent rather than 62.6 per cent. To cope with these increases, an additional passenger vessel has been chartered for the period 1973-1977. Addition of this vessel and some operational adjustments in the service will increase the passenger/automobile movement capacity by 30 per cent for the summer peak season of 1973. The vessel under charter is also able to carry trucks. Design studies are underway for new ferries to carry passengers and highway vehicles to meet the demands of the future. The requirements of the Gulf service are under constant review and depending on the development of traffic movements, additional vessels may be chartered pending completion of expansion of the Canadian-built fleet. Chartered vessels will continue to be manned by Canadian crews.

HARBOUR FACILITIES—CORNER BROOK, NEWFOUNDLAND

Question No. 2,458—**Mr. Marshall:**

Has the Minister of Transport received a brief from users of pier and storage facilities at Corner Brook, Newfoundland, indicating that facilities had proved insufficient for 1972 volume of traffic and, if so, is it the intention of the Department to provide an additional 21,000 square feet outside storage space?

Hon. Jean Marchand (Minister of Transport): Yes and studies now are in process to determine the future marine terminal requirements for the Western part of the Province including Corner Brook.

STEPS TAKEN TO INITIATE STUDY INTO HARBOUR FACILITIES AT CORNER BROOK, NEWFOUNDLAND

Question No. 2,459—**Mr. Marshall:**

Has the Department of Transport taken steps to initiate a study into the long-term needs of Corner Brook's harbour facilities and (a) if so (i) by whom is this study being carried out (ii) on what date is the study expected to be completed (iii) what are its terms of reference (b) if not, for what reason?

Hon. Jean Marchand (Minister of Transport): No. The Ministry of Transport is engaged in a Newfoundland Transportation study of harbours including Corner Brook. This study is expected to be completed in the fall of 1973.

REAL ESTATE DATA BANK, ALBERTA

Question No. 2,462—**Mr. Hollands:**

1. How many persons from (a) the Department of National Revenue (b) other departments are engaged in the land assessment program in Alberta?

2. What portion (counties and municipalities) of the Province of Alberta has been assessed to date?

3. Is the information gained in the assessment program being stored in a Land Data Bank?

4. What is the Land Data Bank and for what purpose is it being established?

5. Will the information gained by the land assessors be used by the Department of National Revenue for capital gains tax assessment?

6. What formula is being used by the assessors to ensure that fair value is arrived at in assessing individual properties?

7. Is the information being gained by the assessors going to be available to property owners or the general public upon request?

8. Has an appeal procedure been established whereby property owners may contest the government's assessments?

Hon. Robert Stanbury (Minister of National Revenue): It is presumed that this question relates to the Real Estate Data Bank project of the Department of National Revenue, Taxation, in which information is being assembled about properties which were sold in the years 1971 and 1972. 1. (a) The Department has 12 real estate appraisers in Alberta. It is estimated that they are presently

spending 75 per cent of their time on the Data Bank project and 25 per cent of their time on appraisal assignments for the department; (b) The Veterans Land Act administration of the Department of Veterans Affairs is assisting the department in the Data Bank project. They have employed 6 university students for the summer months who are working under the direction of their field officers. The Veterans Land administration have 18 field officers in Alberta and it is estimated that they are spending 20 per cent of their time on the Data Bank project.

2. The Data Bank project does not involve assessments or appraisals of properties. It is a sales survey which is being carried out in all parts of Alberta and the rest of Canada. Approximately 75 per cent of the program has been completed and it is expected that the remainder will be completed by December 31, 1973.

3. The information being gathered will be computer-stored in order that it may be readily accessible for future reference.

4. The Real Estate Data Bank is a survey of sales which took place in the period around Valuation Day. It is being established to provide factual information about these sales and will be used as a future source of information for the public and the department to assist in determining the Valuation Day values of properties.

5. The information will be used by the department to assist in assessing the reasonableness of Valuation Day values reported by taxpayers when disposing of their properties.

6. As indicated above, individual properties are not being assessed in the Data Bank project. The department has no formula for use in determining values of individual properties.

7. To the extent that it is not confidential, when the information is gathered and assembled it will be made available on request to the property owners and the general public.

8. Where a taxpayer, upon disposing of a property, reports a Valuation Day value for that property with which, upon examination, the Department is unable to agree, the usual appeal procedure provided by the Income Tax Act will be available to the taxpayer once his income tax return has been assessed.

LOCAL EMPLOYMENT ASSISTANCE PROGRAM

Question No. 2,463—**Mr. Marshall:**

1. (a) On what date did planning for the Local Employment Assistance Program (LEAP) first commence (b) on what date were funds first allocated to the Program (c) when was the first project funded under LEAP and what was the nature of the project (d) what was the total amount of funds granted to it (e) where is it located (f) how many people are employed by the project (g) on what date was LEAP officially announced?

2. (a) What is the total amount of funds committed to LEAP for the fiscal year 1973-74 and of this amount, what portion has been allocated to Newfoundland (b) what criteria were used to determine the allocation of funds?

3. What is the total number of (a) jobs (b) projects expected to be created by LEAP in (i) the Maritimes (ii) Newfoundland by the end of the fiscal year 1973-74?

4. (a) Is the primary emphasis of LEAP to fund commercial enterprises and, if so, what criteria are being used to determine whether or not a project is viable (b) what criteria are being used to determine whether or not an enterprise will duplicate already existing services in an area?

[Mr. Stanbury.]

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. (a) March 1970; (b) August 28, 1972; (c) January 26, 1973. The project was designed to provide employment opportunities to six disabled persons in sorting, cleaning and repairing for resale, used clothing and furniture; (d) $10,080; (e) St. John's, Newfoundland; (f) six; (g) No formal announcement has been made of the existence of this program although provincial ministers of welfare were informed of it in a joint letter from the Ministers of Manpower and Immigration and National Health and Welfare on January 11, 1973. This letter was tabled in the House on March 19, 1973 by the Minister of Manpower and Immigration.

2. (a) $9,500,000 and $340,500; (b) allocations were made initially on the basis of unemployment rates within provinces.

3. (a), (b) (i) and (ii) As proposals for the development of LEAP projects may originate from non-profit organizations, community or citizen groups, voluntary agencies or individuals, it is not possible to state definitively how many projects or jobs will be created. As of July 6, 1973, six projects have been approved for conduct in the Maritime provinces creating 59 jobs. Three of these projects were in Newfoundland and they will employ 22 persons.

4. (a) No. The primary purpose of LEAP is to create worthwhile employment opportunities for people who would probably remain unemployed despite normal labour market activity; (b) Provincial officials serve on regional review boards to ensure that complementarity of program objectives is achieved and, additionally, intergovernmental and interdepartmental consultation takes place where the possibility of duplication of services exists.

DEPARTMENT OF SUPPLY AND SERVICES—PICKUP AND DELIVERY SERVICES

Question No. 2,465—**Mr. Hales:**

1. Was a contract OTT2-30084/1 for pickup and delivery services at Ottawa during the period May 1, 1973 to April 30, 1974 in the amount of $11,000 awarded to Greater Care Co., Ottawa, Ontario?

2. Were tenders called and, if so (a) what are the names and addresses of those who tendered (b) was the lowest tender accepted?

3. Were there any extra charges over and above the above figure and, if so, what were they?

4. Where were the goods used and by what department of government?

5. How were suppliers notified of government requirements?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. Yes (a) Paul's Transfer Reg'd., 207 St. Andrews Street, Ottawa; Canadian Skycap Services Limited, 457 Gladstone Avenue, Ottawa; J. C. Bedard Transfer, 295 St. Andrews Street, Ottawa; Metro-Ottawa Cartage & Delivery Service, 20 Brent Avenue, Ottawa; A. Artelle Transfer, 44 Adeline Street, Ottawa; Lyttle Cartage & Moving, P.O. Box 4388, Station "E", Ottawa; Tierny's Transfer & Delivery, 192 Rodney Cres., Ottawa, and Greater Care Company, 41 Bayswater Street, Ottawa; (b) yes.

3. No.

4. Ottawa, Hull, Secretary of State.

5. By Invitation to Tender.

CONTRACT FOR PREFABRICATED BUILDINGS AT BELLA COOLA AND MASSET, B.C.

Question No. 2,466—**Mr. Hales:**

1. Was a contract VAN3-69/1, VAN3-70/1 for supply and erection of prefabricated buildings at Bella Coola and Masset, British Columbia in the amount of $70,000 awarded to Artisans Industries Mfg. Ltd., Surrey, British Columbia?

2. Were tenders called and, if so (a) what are the names and addresses of those who tendered (b) was the lowest tender accepted?

3. Were there any extra charges over and above the above figure and, if so, what were they?

4. Where were the goods used and by what department of government?

5. How were suppliers notified of government requirements?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. Yes; (a) Artisans Industries Mfg. Ltd., 9800—190 Street, Surrey, B.C.; Fabtec Structures, Div of Neonex Shelter Industries Limited, 60 Riverside Drive, North Vancouver, B.C.; Astra Trailer Manufacturing Company, 5569-176 Street, Surrey, B.C.; Chimo Structures Limited, 400 Ewen Ave., New Westminster, B.C.; (b) yes.

3. No.

4. Bella Coola Indian Reserve—Masset Indian Reserve, Department of National Health and Welfare.

5. By Invitation to Tender.

DEPARTMENT OF SUPPLY AND SERVICES—CONTRACT FOR SUNGLASSES

Question No. 2,467—**Mr. Hales:**

1. Was a contract GT.2511352-4 for sunglasses in the amount of $33,481 awarded to Imperial Optical Co. Ltd., Toronto, Ontario?

2. Were tenders called and, if so (a) what are the names and addresses of those who tendered (b) was the lowest tender accepted?

3. Were there any extra charges over and above the above figure and, if so, what were they?

4. Where were the goods used and by what department of government?

5. How were suppliers notified of government requirements?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes.

2. Yes; (a) Aoco Limited, Belleville; Imperial Optical Company Ltd., Toronto; (b) Yes.

3. No.

4. Various Canadian Forces Supply depots, Department of National Defence.

5. By Invitation to Tender.

Order Paper Questions

JOB INFORMATION CENTRES

Question No. 2,475—**Mr. Marshall:**

What are the names of the 14 selected cities where Job Information Centres will be opening?

Hon. Robert K. Andras (Minister of Manpower and Immigration): The initial 14 cities where Job Information Centres are to be opened were selected in May 1973 for the following locations: Kelowna, Surrey, Williams Lake, Red Deer, Saskatoon, Brandon, Windsor, St. Thomas, Cornwall, Ottawa, Rimouski, St. Hyacinthe, Saint John and St. John's. Since then a number of Job Information Centres have been opened at these locations and additional cities have been selected.

UIC—NOTIFICATION OF OVERPAYMENTS

Question No. 2,476—**Mr. Marshall:**

In its initial notification of an overpayment to a claimant does the Unemployment Insurance Commission (a) inform the claimant of the method of repayment which will be utilized (b) indicate the existence of the "agreed upon deduction" form (c) invite the claimant to contact the Unemployment Insurance Commission office in order that the method of repayment may be discussed?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): (a) Overpayments are sometimes discovered while claimants are receiving benefit and on other occasions when the claim has become inactive. In the first instance a notice is sent to the active claimant advising him of the overpayment. Repayment is then effected by withholding the necessary amount from the benefit that would otherwise be payable for as long as required to complete the repayment. In these instances, if the claimant wishes and so advises the Commission, he may make arrangements to have a portion only of the benefit due on each cheque retained for repayment purposes, thereby allowing him to receive some benefit during the repayment period. In the second case (inactive claim) a series of three letters are used to inform the claimant that he should work out mutually agreeable arrangements with the Commission for the repayment of the money. The second and third letters are used in the event that the claimant does not reply to the previous one. (b) The letters that both active and non-active claimants receive with respect to an overpayment both indicate that he should contact the Commission to work out suitable repayment arrangements. In the case of active claimants the computer system is being modified slightly in mid-August to remove the possibility that now occasionally occurs whereby full deductions from the benefit of an active claimant may occur before he has contacted the office in order to make arrangements for partial amounts from the benefit otherwise due him. (c) When a claimant whose claim is inactive is notified by letter that he has been overpaid, it is pointed out that he should contact the nearest office of the Commission to work out an acceptable method of repayment and this is done on the basis that it will not cause him undue financial hardship.

Order Paper Questions

HONG KONG VETERANS

Question No. 2,478—**Mr. Cossitt:**

1. According to records of the Department of Vererans Affairs, how many Canadian Army veterans who served at Hong Kong were living at the end of World War II?

2. How many such veterans died between the end of World War II and this date?

3. Is the percentage death rate for Hong Kong veterans higher since World War II than the percentage death rate for those who served in the Canadian Army elsewhere and what are these percentages, based on the latest figures available?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. One thousand four hundred five.

2. Approximately 254.

3. The number of persons who served in the Canadian Army elsewhere than in Hong Kong and who have died since World War II is not known.

DISABILITY PENSIONS TO HONG KONG VETERANS

Question No. 2,479—**Mr. Cossitt:**

1. Will the government take immediate steps to increase to 100 per cent the disability pensions being paid to veterans of the Canadian Army who served at Hong Kong and who became prisoners of war and (a) if so, on what date will these steps be taken (b) if not, for what reason will these steps not be taken?

2. Has the government given any recent consideration to increasing pensions for such veterans who have been forced to retire from their occupations prior to normal retirement date as a result of health conditions created by war-time imprisonment?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. It is not planned to increase to 100 per cent the disability pensions paid to veterans of the Canadian Army who served in Hong Kong and who became prisoners of war of the Japanese. It is just over two years since the Pension Act was amended to provide that former prisoners of war of the Japanese would be paid a minimum pension equal to that for a disability assessed at 50 per cent if there was any assessable disability whatever. This measure not only quarantees a minimum 50 per cent pension to the veteran during his lifetime but ensures an award to his widow and dependent children at his death. In the event that the disability is greater than 50 per cent, pension is paid at the higher rate. This legislative change was in keeping with the request made by the Veterans' Organizations at that time.

2. There are no plans to increase pension for veterans who have been forced to retire from their occupations prior to normal retirement date as a result of health conditions created by wartime imprisonment. Disability pensions under the Pension Act are paid as a right based on the degree of disability present from time to time. The individual's financial condition, station in life, or employment situation have no bearing on the decision. The worsening of a condition may result in increased assessment and higher pension.

IMMIGRATION OFFICE, SEATTLE, WASHINGTON

Question No. 2,487—**Mr. Reynolds:**

1. How many full-time employees are there at the Immigration Office in Seattle, Washington?

[Mr. MacGuigan.]

2. Is it the intention of the government to increase the staff in this office to handle the backlog of work and, if so, on what date?

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): 1. At the present time the Manpower and Immigration Office in Seattle, Washington has one full-time Foreign Service Officer. He is supported by one full-time secretary-typist provided by the Department of External Affairs. Additional part-time administrative and clerical assistance is also provided by External Affairs.

2. A second full-time Foreign Service Officer will commence work on August 13, 1973. In addition, one locally engaged operational employee and one locally engaged clerical employee are currently being recruited.

FAMILY ALLOWANCES

Question No. 2,488—**Mr. Lambert (Bellechasse):**

1. What percentage of the gross national product was spent on family allowances, as at July 31, 1945?

2. What percentage of the gross national product was spent on family allowances, as at July 31, 1972?

3. What percentage of government revenues was earmarked for the payment of family allowances, as at July 31, 1945?

4. What percentage of government revenues was earmarked for the payment of family allowances, as at July 31, 1972?

Hon. Marc Lalonde (Minister of National Health and Welfare): With the concurrence of the member the following changes have been made: Parts 1 and 3, "as at July 31, 1945" should read "for the fiscal year ending March 31, 1947". Parts 2 and 4, "as at July 31, 1972" should read "for the fiscal year ending March 31, 1973". 1. 1.92 per cent.

2. 0.49 per cent.

3. For the fiscal year ending March 31, 1947 expenditures on family allowances were 8.99 per cent of federal government revenues.

4. For the fiscal year ending March 31, 1973, expenditures on family allowances were 2.48 per cent of federal government revenues.

FAMILY ALLOWANCES

Question No. 2,489—**Mr. Lambert (Bellechasse):**

1. On July 31, 1972, how many children were eligible for family allowances?

2. On July 31, 1972, what was the total amount paid in family allowances across Canada?

3. On July 31, 1972, by province, how many children were eligible for family allowances?

4. On July 31, 1972, by province, what was the total amount paid in family allowances by the government?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. 6,777,216.

2. $45,923,164.

3 and 4:

Province	No. of Children	Amount Paid
Newfoundland	208,942	$ 1,414,331.
Prince Edward Island	37,224	255,752.
Nova Scotia	252,527	1,726,368.
New Brunswick	213,513	1,462,518.
Quebec	1,856,151	12,798,335.
Ontario	2,394,870	15,949,374.
Manitoba	306,768	2,044,966.
Saskatchewan	289,689	1,980,950.
Alberta	543,394	3,684,459.
British Columbia	651,265	4,444,765.
Northwest Territories	16,533	114,302.
Yukon	6,340	47,044.
Total	6,777,216	$45,923,164.

FAMILY ALLOWANCES

Question No. 2,491—**Mr. Lambert (Bellechasse):**

1. On July 31, 1945, how many children were eligible for family allowances?

2. On July 31, 1945, what was the total amount paid in family allowances across Canada?

3. On July 31, 1945, by province, how many children were eligible for family allowances?

4. On July 31, 1945, by province, what was the total amount paid by the government for family allowances?

Hon. Marc Lalonde (Minister of National Health and Welfare):1. 2,969,844

2. $17,579,934

3 and 4:

Province	No. of Children	Amount Paid
Newfoundland	—	—
Prince Edward Island	29,207	$ 177,058
Nova Scotia	155,121	921,333
New Brunswick	143,152	849,136
Quebec	1,029,246	5,948,309
Ontario	798,725	4,836,416
Manitoba	169,686	1,029,982
Saskatchewan	232,966	1,397,838
Alberta	213,162	1,289,084
British Columbia	185,579	1,111,778
N.W.T. and Yukon	3,000**	19,000**
Total	2,959,844	$17,579,934

**Estimate based on retroactive payments made in later months.

Order Paper Questions

ESCAPE OF J. E. McCANN FROM BRITISH COLUMBIA PENITENTIARY

Question No. 2,493—**Mr. Reynolds:**

1. Did the Director of Security and all Squad Leaders who were on duty May 17, 1973 hold a meeting with the Director of the British Columbia penitentiary and, if so (a) was the Director advised that inmate No. 3384 J. E. McCann was organizing an escape from the institution (b) did this group recommend that the inmate be placed in SCU?

2. Was any action taken on this recommendation and, if not, for what reason?

3. Was Security Officer Smith subjected to disciplinary action because of the inmate's escape and, if so, for what reason?

Hon. Warren Allmand (Solicitor General): 1. Yes; (a) no; (b) no.

2. Not applicable.

3. Yes. Officer Smith was found negligent in the performance of his duty. He signalled the yard clear when in fact inmate McCann was still in the yard. This signal had the effect of reducing perimeter security, thus facilitating the inmate's escape.

CBC ADVERTISING EXPENDITURES, 1971 AND 1972

Question No. 2,498—**Mr. McKenzie:**

1. How much money was spent by the Canadian Broadcasting Corporation on advertising during the years 1971 and 1972?

2. Of this amount, how much was spent advertising (a) English-language radio programs (b) English-language television programs (c) French-language radio programs (d) French-language television programs?

3. (a) Through what media did CBC advertise its programs during the years 1971 and 1972 (b) what percentage of the advertising budget was spent on each of these?

Hon. James Hugh Faulkner (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. The CBC uses its own broadcasting facilities to a great extent to promote its programs, and much of the Corporation's advertising in publications requires no cash expenditure since ads are frequently placed on a contra-account basis whereby comparable value in broadcast time is exchanged for space in the publication. Thus, expenditures on advertising have been kept to a minimum as follows: $203,966 for the fiscal year 1971-72, and $309,842 for 1972-73.

2. (a) $56,869 in 1971-72; $74,427 in 1972-73; (b) $74,256 in 1971-72; $158,191 in 1972-73; (c) $14,995 in 1971-72; $3,165 in 1972-73; (d) $57,846 in 1971-72; $74,059 in 1972-73.

3. (a) and (b) The CBC advertised its programs in newspapers and magazines. The approximate percentage breakdown of the total expenditures given in part 1 above was about the same for both years, roughly 90 per cent spent on newspaper advertising and the balance on magazine advertising.

CONFEDERATION BUILDING—RENOVATIONS TO CAFETERIA AND LOUNGE

Question No. 2,499—**Mr. Leggatt:**

1. What is the total cost of renovations in the cafeteria and lounge on the eighth floor of the Confederation Building?

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2. In the lounge, what is the individual cost of each (a) chandelier (b) chesterfield (c) table lamp (d) chair (e) table and what is the cost per square foot of rug used in the cafeteria and lounge?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. The total cost of renovations in the cafeteria and lounge on the eighth floor of this building as of July 17, 1973 is forecast as $663,308.00. Included in this amount is the sum of $166,190.00 for the kitchen equipment.

2. The various items in the Members' Lounge were billed as follows and invoices were forwarded to Department of Supply and Services for payment action.

(a)	Chandeliers	3 at	$2,386.80 each
(b)	Sofas (leather)	6 at	$1,175.00 each
	Sofas (fabric)	7 at	$ 521.92 each
(c)	Lamps (large)	4 at	$ 73.95 each
	Lamps (small)	8 at	$ 34.00 each
	Lamps (small)	2 at	$ 37.20 each
(d)	Chairs	4 at	$ 242.48 each
	Seats	2 at	$ 401.52 each
(e)	Tables (lounge)	26 at	$ 61.60 each
	Tables (coffee)	3 at	$ 168.00 each
	Tables (end)	14 at	$ 168.00 each

Carpet costs, installed complete with underpad, amounted to $2.00 per square foot for a total of $27,763.50.

LIP—PROJECT 311-0095 "THEATRE IN CANADA"

Question No. 2,500—**Mr. Hellyer:**

1. Did the government audit the accounts of LIP Project 311-0095 "Theatre in Canada"?

2. Were the young people employed in this project given vacation pay in accordance with the laws of the Province of Ontario and, if not, for what reason?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. Yes.

2. This information is not available from the records of the Local Initiatives Program, as this is a responsibility of the sponsor of the project as the employer.

LIP—PROJECT No. 211-1970

Question No. 2,505—**Mr. Lambert (Bellechasse):**

1. Did LIP project no. 211-1970, known as "Innovation Québec" which received nearly half a million dollars in grants to assist the inventors, serve to (a) prepare invention plans for inventors (b) prepare technical descriptions (c) present requests to the Patents Office on behalf of and in the name of inventors?

2. What was the total amount of plans, technical descriptions and patent requests made during the project?

3. What are the names and addresses of inventors who used the services provided by "Innovation Québec"?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. (a) and (b) The objective stated in the agreement signed by the sponsor of project "Innovation Quebec" is to assist inventors by producing parts and components, models and prototypes of inventions. This service was to include the production of standard workshop drawings and the preparation of lists of materials required for the production of components. (c) The presentation of requests to the Patent Office was not included in the objectives of this program.

2 and 3. Information of this nature would be contained in the personal records of the project sponsor who as the employer is solely responsible for carrying out the objectives of the project. Such information is not tabulated in LIP records.

INTEREST OF ELDORADO NUCLEAR LIMITED IN PORT RADIUM MINING PROPERTIES

Question No. 2,507—**Mr. Nesdoly:**

1. Was consideration given to permit Eldorado Nuclear Limited to mine the rich silver ores on its property at Port Radium, using its own facilities, in order to alleviate current financial difficulties and, if not (a) for what reason (b) who mined the surrounding deposits?

2. (a) What price did Echo Bay Mines pay for the old Port Radium facilities (b) who set the price (c) did Eldorado Nuclear Limited spend any money on fixing up the power plant or facilities prior to sale?

3. Has any ore been mined or taken from the old Eldorado Port Radium property by Echo Bay Mines or subsequent owners?

4. Were other mining companies allowed the chance to bid on purchase of the Port Radium facilities?

5. Did any key officers of Eldorado Nuclear Limited have connections with the Echo Bay Mines group prior to their resignations and move to that company?

6. (a) Have any of Eldorado Nuclear Limited's officers any interests in Echo Bay Mines operations at the old Port Radium property (b) have the officers profited from Echo Bay's operations there?

7. (a) Did Mr. Harold Lake, the Vice-President of Eldorado Mining and Refining Ltd., leave the employ of Eldorado Nuclear Limited to become an executive of Echo Bay Mines and, if so, on what date (b) did Mr. F. Burton leave the employ of Eldorado Nuclear Limited to become the mine superintendent of Echo Bay Mines and, if so, on what date?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): 1. No. (a) The mining claims held by Eldorado Nuclear Limited at Port Radium do not contain any known minerals in commercial quantities, the operation having been closed in 1960 upon exhaustion of ore reserves after 30 years of mining. (b) Cominco and Echo Bay Mines Limited.

2. (a) $150,000 for surface plants. (b) Eldorado's directors. (c) No.

3. No.

4. No; obviously of interest only to a company operating in the immediate area.

5. No.

6. (a) No. (b) No.

7. (a) No; Mr. Lake left Eldorado's employ June 30, 1968. (b) No; Mr. Burton left Eldorado's employ November 30, 1964. It is understood that they did not leave the employ of Eldorado, directly, to take up offices with Echo Bay Mines but did so after some months had elapsed.

*SURVEY OF DEMANDS FOR UNIVERSITY GRADUATES

Question No. 2,512—**Mr. Fairweather:**

1. Will the Minister of Manpower and Immigration publish the results of the recently published annual survey of demands for university graduates?

2. Does the survey indicate that the demand for post graduate students is down substantially from 1972?

3. What is the percentage of decline in demands for post graduate students in each of the years 1970, 1971 and 1972?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The answer to part 1 is yes.

The answer to part 2 is yes, employers' anticipated requirements for post graduate students declined substantially between 1972 and 1973. It should be noted, however, that under estimation of requirements is a frequent occurrence.

The answer to part 3 is that the percentage changes in anticipated requirements for post graduate students on the part of reporting employers were as follows: 1969-70, minus 19.2 per cent; 1970-71, plus 31.4 per cent; 1971-72, minus 13.9 per cent.

EXPERIMENTAL FARM, FORT VERMILION, ALBERTA—TOTAL BUDGET

Question No. 2,516—**Mr. Oberle:**

1. What was the total budget for the Agriculture Experimental Farms in Fort Vermilion, Alberta, for the years (a) 1967 (b) 1968 (c) 1969 (d) 1970 (e) 1971 (f) 1972?

2. What is the budget for 1973?

3. What services or research projects have been added or deleted from the Station in the past five years?

Hon. E. F. Whelan (Minister of Agriculture): 1. Total budget for Experimental Farm, Fort Vermilion, Alberta, for the following years:

Fiscal Year	Amount
1967-68	$100,858
1968-69	122,940
1969-70	116,068
1970-71	112,322
1971-72	131,901
1972-73	137,770

2. The budget for 1973-74 is $125,500.

3. The Research Station at Beaverlodge, Alberta, and the Experimental Farms at Prince George, B.C., and Fort Vermilion, Alberta, together form the Northern Research Group administered by one Director. The research program of the three establishments is integrated and is concentrated upon the needs of northern agriculture in Alberta and B.C. Change within the past five years is indicated by the appointment of a new Director and by a continuous refinement of the research program. Research effort as represented by the size of the professional staff has neither increased nor diminished.

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EXPERIMENTAL FARM, PRINCE GEORGE, B.C.—TOTAL BUDGET

Question No. 2,517—**Mr. Oberle:**

1. What was the total budget for the Agriculture Experimental Farms in Prince George, British Columbia, for the years (a) 1967 (b) 1968 (c) 1969 (d) 1970 (e) 1971 (f) 1972?

2. What is the budget for 1973?

3. What services or research projects have been added or deleted from the Station in the past five years?

Hon. E. F. Whelan (Minister of Agriculture): 1. Total budget for Experimental Farm, Prince George, B.C., for the following years:

Fiscal Year	Amount
1967-68	$244,359
1968-69	290,860
1969-70	258,684
1970-71	204,790
1971-72	222,188
1972-73	258,429

2. The budget for 1973-74 is $230,000.

3. The Research Station at Beaverlodge, Alberta, and the Experimental Farms at Prince George, B.C., and Fort Vermilion, Alberta, together form the Northern Research group administered by one Director. The research programs of the three establishments is integrated and is concentrated upon the needs of northern agriculture in Alberta and B.C. Change within the past five years is indicated by the appointment of a new Director in 1970 and by a continuous refinement of the research program. Research effort as represented by the size of the professional staff has neither increased nor diminished.

EXPERIMENTAL FARM, BEAVERLODGE, ALBERTA—TOTAL BUDGET

Question No. 2,518—**Mr. Oberle:**

1. What was the total budget for the Agriculture Experimental Farms in Beaverlodge, Alberta, for the years (a) 1967 (b) 1968 (c) 1969 (d) 1970 (e) 1971 (f) 1972?

2. What is the budget for 1973?

3. What services or research projects have been added or deleted from the Station in the past five years?

Hon. E. F. Whelan (Minister of Agriculture): 1. Total budget for Research Station, Beaverlodge, Alberta, for the following years:

Fiscal Year	Amount
1967-68	$643,779
1968-69	674,849
1969-70	663,612
1970-71	884,718
1971-72	879,498
1972-73	851,900

2. The budget for 1973-74 is $835,100.

3. The Research Station at Beaverlodge, Alberta, and the Experimental Farms at Prince George, British Columbia, and Fort Vermilion, Alberta, together form the Northern Research Group administered by one Director. The research program of the three establishments is integrated and is concentrated upon the needs of northern agriculture in Alberta and British Columbia. Change within the past five years is indicated by the appointment of a new Director in 1970 and by a continuous refinement of the research program. Research effort as represented by the size of the professional staff has neither increased nor diminished.

YOUTH HOSTELS IN NATIONAL PARKS

Question No. 2,519—**Mr. Clark (Rocky Mountain):**

1. Is it the policy of the government that the Canadian Youth Hostel Association could be able to (a) own (b) manage (c) operate youth hostels in Banff and Jasper National Parks and, if not, what are the reasons for prohibition of (i) ownership (ii) management (iii) operation by the Canadian Youth Hostel Association of hostels in national parks?

2. Has policy in this matter changed in the past ten years and, if so (a) on what date (b) for what reason?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. (a) No; (b) yes; (c) yes; (i) allowing a private organization exclusive rights to occupy and control land within a National Park for its members only is not consistent with National Parks principles or sound administration of publicly owned property; (ii) N/A; (iii) N/A.

2. Yes; (a) 1964; (b) with increasing use and pressures on the national parks it became apparent that land within national parks could not and should not be made available for the exclusive use of every interested organization.

GOLD TRANSACTIONS

Question No. 2,521—**Mr. Mazankowski:**

1. Was an Order in Council issued directing the Bank of Canada to request every bank in Canada to report names and addresses for every gold transaction over 10 ounces to the Bank of Canada and, if so (a) on what date (b) on what dates are such reports required (c) what is the purpose of such reports?

2. As Canada is not on the gold standard, for what reason is such documentation necessary?

3. Is the procuring of such information considered an invasion of privacy and, if not, for what reason?

Hon. John N. Turner (Minister of Finance): 1. No. I am advised, however, that the Bank of Canada, under the authority of Section 117 of the Bank Act, has requested of the chartered banks that they provide quarterly totals of their purchases and sales of gold in Canada broken down by country or geographical area of residence of their customers. This information is collected to assist Statistics Canada in the production of data relating to the Canadian balance of international payments. It may be that, to enable them to meet the geographical classification requested, banks are asking customers dealing in gold to record mailing addresses but information on names and addresses of individuals is not passed on to the Bank of Canada. Indeed the Bank Act specifically provides that banks are not required to furnish to the Bank of Canada information with respect to the accounts or affairs of any individual person. The Bank of Canada is taking steps to reduce the misunderstanding that appears to have arisen concerning its request for statistical information.

2 and 3. See answer to question 1.

KILLING OF MUSKOX IN NORTHWEST TERRITORIES

Question No. 2,552—**Mr. Clark (Rocky Mountain):**

Did any government representatives or officials kill, or order killed, muskox in the Northwest Territories in October, November or December of 1972 or any month in 1973 and, if so (a) how many muskox were killed (b) by whom were they killed (c) for what reasons were they killed (d) how were hides and/or heads disposed of (e) what were the names and positions of any public officials or representatives who received heads and/or hides (f) what was the reason for each such gift of a head or hide?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): (a) 18 (Oct/Dec.) 1972; nil; March 1973, 18; (b) Animals were taken by biologists of the Territorial Game Management Service and by the Inuit hunters hired for the project; (c) animals were taken for Rumen Analysis and other biological, physiological and pathological determinations; (d) hides are being used by the Department of Industry and Development of the Territorial government to investigate what market potential might exist for them. Three muskox skulls have been donated to the Saskatchewan Institute of Applied Arts and Sciences. All other skulls with horns are presently being measured for comparative purposes, e.g. Northern Museums and other places to which the public has access; (e) no heads or hides have been given to public officials or representatives; (b) N/A.

*LACK OF NATIVE REPRESENTATION ON COMMITTEE ON THE FINANCIAL AND ECONOMIC IMPACT OF CANADIAN NORTHERN PIPELINES DEVELOPMENT

Question No. 2,559—**Miss MacDonald (Kingston and the Islands):**

1. (a) For what reason is there no native person on the Committee on the Financial and Economic Impact of Canadian Northern Pipelines Development (b) has the Minister of Energy, Mines and Resources considered the suggestion by the Canadian Association in Support of Native People, that an equal Advisory Committee of Native People be established to provide the government with this most important point of view?

2. For what reason has the Minister created such an Advisory Committee to deal with a project which will have a substantial impact on the native people, without including one native person on the Committee?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. (a) There is no such committee as the Committee on the Financial and Economic Impact of Canadian Northern Pipelines Development. However, the National Advisory Committee on Northern Pipeline Financing was established on March 31, 1973 to advise the government on northern pipeline financing and on ways of ensuring maximum participation by Canadians, having regard to the availability of funds within

Canada. It is a committee of financial specialists only, concerned primarily with the technical aspects of the money market. There is also an Economic Impact Committee which is part of the government's Task Force on Northern Oil Development. This is an interdepartmental group which examines views on economic impact matters from all sectors of Canadian society. A further committee of the Task Force on Northern Oil Development, called the Environmental-Social Committee, receives and carefully examines views from associations of native people. It is charged with the responsibility of ensuring that the concerns of the native people of the North are made known and carefully considered. (b) Yes.

2. Views of the native people on pipeline matters are obtained through the Task Force on Northern Oil Development committees noted in 1, and through associations of native people which are assisted in their research by grants from the Department of Indian and Northern Affairs.

APPOINTMENT OF Mr. H. J. MITCHELL

Question No. 2,562—**Mr. Cossitt:**

1. On what date was Mr. H. J. Mitchell, Chief, Policy, Planning and Programming, National Historic Parks and Sites Branch, Parks Canada, appointed?

2. Was this appointment made from the Public Service Commission or was it made by the Minister and what were the various considerations leading to this appointment?

3. What previous positions did Mr. Mitchell hold with the government and for what period of time?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. July 15, 1969 in an acting capacity and confirmed in this position July 15, 1970.

2. Mr. H. J. Mitchell was appointed as a result of a competition conducted by a Departmental Selection Board and approved by the Public Service Commission. The criteria for appointment was demonstrated knowledge of good management concepts, practises and techniques and the ability to plan, organize and direct a program encompassing complex situations and impact on the general public.

3. 1937 to 1939 Civil Service Commission Office Boy; 1939 to 1945 Canadian Army, Gunner to Sergeant; 1945 to 1946 Department of Mines and Resources, Clerk 3; 1946 to 1948 Department of Mines and Resources, Clerk 4; 1948 to 1949 Department of Mines and Resources, Clerk 4; 1949 to 1952 Department of Resources and Development, Principal Clerk to D.A. 2—Accountant and Office Manager in the Yellowknife Mining Recorder's Office; 1952 to 1954 Department of Resources and Development, Administrative Officer Grade 1—Area Administrator and Chairman of the Municipal District of Hay River; 1954 to 1957 Department of Northern Affairs and National Resources, Administrative Officer Grade 2—Area Administrator and Mining Recorder in Yellowknife; 1957 to 1959 Department of Northern Affairs and National Resources, Administrative Officer—Grade 4—Regional Administrator, Aklavik; 1959 to 1961 Department of Northern Affairs and National Resources, Administrative Officer Grade 4—Liquor and Legislation Section Head Territorial Division—Ottawa; 1961 to 1966, Department of Northern Affairs and National Resources, Administrative Officer 5, 6 & 7—Assistant Chief, Industrial Division, Ottawa; 1966 to 1969 Department of Indian Affairs and Northern Development, P.M. 6—Assistant Administrator of the Arctic—Ottawa; 1969, to Present Chief, Operations Division National Historic Sites Service.

INDIAN AFFAIRS—ELECTION OF BAND LEADER

Question No. 2,566—**Mr. Godin:**

Is the government planning to amend Section 77 of the Indian Act to lower the voting age from 21 to 18 for the election of a band leader as in the case of federal general elections or by-elections?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): The government has previously indicated that no substantive amendments to the Indian Act would be made without prior consultation with the Indian people. It is understood that the Alberta Indian Association in conjunction with the National Indian Brotherhood and in consultation with other associations and the Indian people are preparing a number of amendments to the Indian Act for consideration. In addition a private member's bill respecting voting age was introduced some months ago and referred to the Standing Committee of Indian Affairs and Northern Development. The committee, upon recommendation of the National Indian Brotherhood and the Native Youth Association of Canada, decided that Bill C-16 would not be proceeded with pending the results and recommendations that will be brought forth from the study by the provincial and territorial member organizations of the National Indian Brotherhood as to the over-all recommendations to the revision of the Indian Act.

PUBLIC WORKS—CRANE REPAIRS, GRAVING DOCK, ESQUIMALT, B.C.

Question No. 2,567—**Mr. McKinnon:**

Has the 100-ton crane at the Graving Dock at Esquimalt, British Columbia, been unserviceable for some two years now and, if so, on what date does the government intend to have this equipment repaired?

Hon. Jean-Eudes Dubé (Minister of Public Works): The 100-ton stiff leg derrick at the Esquimalt graving dock is a little over 50 years of age. The consultant firm of A. B. Sanderson & Company Limited was retained in 1970-71 to report on the condition of the structural, mechanical and electrical components of this derrick. It was the opinion of the consulting firm that it would not be economical or desirable to attempt to repair this facility and it was subsequently recommended that the derrick be retired from service. The replacement of this facility is under study at the present time in conjunction with a study of proposed dry docks in British Columbia. Discussions are being held with the Ministry of Transport, the Department of Industry, Trade and Commerce and other agencies of government as well as private interests. At the present time it is very difficult to say whether this will be replaced as consideration is being given to floating cranes and/or other alternatives.

Order Paper Questions

FIRMS ENGAGED IN RETAIL AND SERVICE TRADE IN NATIONAL PARKS

Question No. 2,568—**Mr. Clark (Rocky Mountain):**

In each year 1964 to 1972 inclusive, how many firms were engaged primarily in (a) retail trade (b) a service trade in (i) Banff (ii) Jasper (iii) Waterton townsites?

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

	Banff		Jasper		Waterton Lakes	
Year	Retail	Service	Retail	Service	Retail	Service
1964	229	102	39	60	17	33
1965	302	102	40	61	17	33
1966	308	103	39	67	17	33
1967	316	103	40	69	17	34
1968	317	104	42	73	17	35
1969	323	105	49	77	17	35
1970	325	106	49	78	17	37
1971	333	107	53	80	18	42
1972	335	112	52	73	18	43

CANDIDATES' ELECTION EXPENSES

Question No. 2,569—**Mr. Olaussen:**

1. Which candidates in the 1972 general election had (a) the highest campaign expenses (b) the lowest campaign expenses?

2. What was the amount in each case?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1. (a) Stephen B. Roman; (b) Pierre Demers and Joseph Goguen.

2. (a) $92,103; (b) 0.00.

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NOTE: The answer to (a) is from the answer to question 1,730 appearing on page 4005 of House of Commons Debates No. 87 of Wednesday, May 23, 1973. The answer to (b) has been obtained from Sessional Paper No. 291-3/1 referred to in *Votes and Proceedings* of the House of Commons No. 49 of March 13, 1973.

COAST CHILCOTIN CANDIDATES ELECTION EXPENSES

Question No. 2,570—**Mr. Olaussen:**

What were the total campaign expenses of each candidate in the Coast-Chilcotin general election 1972?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Lew King, $782.86; Harry Olaussen, $5,259.72; Paul St. Pierre, $14,207.20; John Pankratz, Not reported.

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NOTE: The answer to this question has been obtained from Sessional Paper No. 291-3/1 referred to in *Votes and Proceedings* of the House of Commons No. 49 of March 13, 1973.

[Mr. Dubé.]

DEPARTMENT OF PUBLIC WORKS—TERM ON CASUAL EMPLOYEES

Question No. 2,572—**Mr. Fairweather:**

1. (a) How many term or casual employees are employed in the Department of Public Works (b) how many of the above have been employed longer than (i) six months (ii) one year (iii) two years?

2. How many persons are presently engaged under a "Personal Service Contract" with the Department?

3. In the past three years, how many persons have been hired by the Department of Public Works, from among those previously engaged under a "Personal Service Contract", into a permanent position and at what classification and level was each of them employed?

4. (a) Under what authority were they originally hired (b) under what process of selection were they subsequently employed on a permanent basis?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. (a) 1572; (b) (i) 249; (ii) 212; (iii) 93.

2. Seventeen.

3. Sixteen as follows: 2 AR 4; 1 EN-ENG 5; 2 EN-ENG 3; 1 EN-ENG 1; 1 OM 5; 1 CS 2; 1 AS 3; 1 AS 1; 1 DD 4; 1 DD 3; 2 CR 4; 2 CR 3.

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NOTE: There are an additional 18 persons in the Engineering Support category hired with the concurrence of the Public Service Commission, as term employees for a specific term of one year or less.

4. (a) Government Contract Regulations and the Public Service Employment Act. (b) Selected through open competition, Public Service Commission and in-service inventory, P.S.C.

UIC—SET UP OF SYSTEM FOR EMERGENCY PAYMENTS

Question No. 2,573—**Mr. Marshall:**

1. Is it the intention of UIC offices to set up a system of emergency payments so that payments can be made in four, eight and 24 hours and, if so, what are the details?

2. Is it the intention of UIC to change the method of repayment of overpayment and, if so, what are the details?

3. On what date is it expected that these changes will take place?

Hon. Robert K. Andras (Minister of Manpower and Immigration): 1. UIC now has two types of monitored payment: Type 1, This type of payment is requested through the Regional Pay Centre with priority to be included in the next computer run. This provides a 48 hour turnaround. The payment is normally mailed to the claimant. Type 2, This type of payment is requested through the Regional Pay Centre and processed in the unit record system. Turnaround time is 24 hours, or less if the claimant is in the same locality as the Pay Centre. The payment may be mailed, delivered to the District Office or to the claimant's residence. A new type of payment will be incorporated into the system as Type 3. Type 3, This new type will provide fast payment to any claimant whose claim has been delayed and who faces possible hardship. This payment is requested through the District Office. Payment is available within four hours at the District Office.

2. On June 5, 1973, a policy was approved whereby all active claimants would be given the opportunity to estab-

lish an agreed amount of their normal benefit payment which will be applied against any non-fraud overpayment. This agreed deduction has always been part of UIC procedure for non-active claims but was not applied to active claims. This new policy ensures that prior to any recoupment of overpayments from benefit, the claimant will be contacted and will be given the opportunity to agree to a deduction which must be in the range of 25% to 75% of his weekly unemployment insurance rate. At present, this policy is being carried out by contacting the claimant prior to setting up any overpayment on the computer system.

3. Implementation of Type 3 monitored payments is now taking place. The tentative implementation schedule is: Quebec Region, August 14, 1973; Ontario Region, September 10, 1973; Prairie, September 17, 1973; Pacific, September 24, 1973; Atlantic, October 1, 1973. These dates are dependent on scheduled delivery of equipment. On August 15, 1973, the computer system will automatically delay recoupment by three weeks on non-fraud overpayments in order to allow time to contact the claimant and agree on a deduction.

BREEDS OF HORSES REGISTERED IN CANADA

Question No. 2,578—**Mr. Rowland:**

In the case of each of the following breeds of horses, what are the numbers registered in Canada (a) Arab (b) Thoroughbred (c) Appaloosa (d) Quarter Horse (e) Morgan (f) Clydesdale (g) Percheron (h) Hackney (i) Belgium (j) Shetland (k) Welsh?

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): (a) Arabian, 3,743; (b) Thoroughbred, 20,592; (c) Appaloosa, 7,461; (d) Quarter Horse, 2,417; (e) Morgan, 677; (f) Clydesdale, 96,518; (g) Percheron, 45,762; (h) Hackney, 6,290; (i) Belgian, 14,192; (j) Shetland, 7,227; (k) Welsh, 3,410.

DEPARTMENT OF PUBLIC WORKS FOREMEN

Question No. 2,579—**Mr. Allard:**

How many (a) unilingual (b) bilingual foremen are employed by the Department of Public Works in the Ottawa-Hull area?

Hon. Jean-Eudes Dubé (Minister of Public Works): The Department of Public Works has (a) 72 unilingual and (b) 90 bilingual foremen in the Ottawa-Hull area. These totals include 56 unilingual and 46 bilingual supervisors on the heating staff whose duties are similar but are not normally referred to as foremen.

DREE—GRANTS TO BUSINESSES IN RIMOUSKI CONSTITUENCY

Question No. 2,580—**Mr. Allard:**

1. Which businesses in the constituency of Rimouski received grants from the Department of Regional Economic Expansion?

2. What was the total amount granted to such businesses?

3. How many businesses in the constituency of Rimouski went bankrupt after receiving such grants?

4. To date, has the Pretty Polly Company in Mont-Joli received grants from the Department?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. The net accepted offers authorized under the Regional Development Incentives Act, from the coming into force of the Act to July 31, 1973, in the Constituency of Rimouski are:

Applicant's Name	Location of Facility	Total Offer $
*Atlantic Dry Kiln Ltd.	Rimouski	90,800
*Bellavance Inc.	Rimouski	91,930
*Ferme Lac Aylmer Ltée	St. Gabriel	10,275
Les Agences P. P. R. L. Inc.	Rimouski	30,896
Meubles Carrier Furniture Inc.	Mont-Joli	16,470
Omer Roy et Fils Inc.	St. Donat	71,500
*Pan-O-Flex Inc.	Rimouski	17,606
Paul Morency Inc.	Rimouski	60,450
Pretty Polly (Canada) Ltd.	Mont-Joli	608,000
Produits de Béton Rimouski Inc.	Pointe-au-Père	6,976
Produits Esto Ltée	Mont-Joli	355,560
*Produits Rodech Inc.	Luceville	18,000
Produits Rodech Inc.	Luceville	64,000
*Vulcanisation Marquis Ltée	Rimouski	19,854

(It is to be noted that only those marked with an asterisk actually received payments as of July 31, 1973).

2. The total value of the net accepted offers listed above is $1,462,317; total payments are $190,302.

3. One—Pan-O-Flex Inc.

4. Pretty Polly (Canada) Ltd. has accepted an offer of a development incentive in the amount of $608,000. However, no payment had been made as of July 31, 1973.

CAPE BRETON DEVELOPMENT CORPORATION—NUMBER OF BUSINESSES IN RECEIPT OF INVESTMENT

Question No. 2,581—**Mr. MacInnis (Cape Breton-East Richmond):**

1. How many business enterprises has the Cape Breton Development Corporation invested in since it began operations?

2. (a) How many such businesses are still in operation (b) what is the nature of these operations (c) who are the responsible persons managing them?

3. (a) How many are no longer operating (b) what was the nature of such operations (c) for what reason did they cease operations?

4. Did the Corporation recover its investments?

5. In each instance (a) what was the investment (b) how much of the investment was in the form of (i) grants (ii) loans and, of the amount in loans, how much has been recovered to date?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 101 business enterprises.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF URBAN AFFAIRS—RESEARCH, DEVELOPMENT EXPENDITURES

Question No. 115—**Mr. Nystrom:**

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

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

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

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

Return tabled.

DEPARTMENT OF EXTERNAL AFFAIRS—RESEARCH, DEVELOPMENT EXPENDITURES

Question No. 133—**Mr. Nystrom:**

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

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

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

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

[Mr. Prud'homme.]

Return tabled.

ANNUAL TAX REVENUE ON ALCOHOLIC BEVERAGES

Question No. 194—**Mr. Laprise:**

1. What was the annual total tax on alcoholic beverages obtained by the government each year 1962 to 1970 inclusive?

2. What amount was allotted annually toward the problems of alcoholism in each of the same years?

Return tabled.

FEDERAL REVENUE FROM BEER, WINE AND SPIRITS

Question No. 584—**Mr. Mather:**

In the years 1970, 1971 and 1972 (a) what, in dollars, was the federal revenue from beer, wine and spirits (b) what was the total federal expenditure on alcoholism prevention (c) what was the estimated loss to the economy of alcoholism?

Return tabled.

UNITED STATES DOLLAR COMPONENT OF CANADA'S INTERNATIONAL RESERVES

Question No. 1,514—**Mr. Nowlan:**

1. What is the specific and detailed form in which the United States dollar component of Canada's International Reserves is presently being held?

2. What agreements and arrangements, explicit or implicit, have been made, or were applicable at any time, in the past five years between Canadian and United States authorities concerning the level of the United States dollar component of Canadian International Reserves?

3. Is it the government's policy to seek exchange guarantees of any form for the United States dollar component of Canada's International Reserves?

4. Is it government policy to attempt to diversify the United States dollar component of Canada's International Reserves?

5. In the past five-year period what representation has the government or any Canadian official made to United States authorities for an exchange guarantee of any nature for the United States dollar component of Canada's International Reserves and what was the nature and substance of those representations and any replies received to those representations?

6. During the past five years (a) what "swap" arrangements have been made, or continued, with countries that are members of the Group of Ten (b) what were (i) the details of each of those arrangements (ii) the sums involved (iii) the dates of the activation and conclusion for each arrangement (c) what countries were involved in each case?

Return Tabled.

PURCHASE OF TROPICAL PLANTS BY GOVERNMENT DEPARTMENTS

Question No. 1,809—**Mr. Hales:**

1. (a) How many tropical potted plants were purchased by all departments of government for the calendar years 1970, 1971 and 1972 (b) what was the cost of such plants purchased by each department of government for the same years (c) what were the maintenance costs for these plants for the same years (d) what was the total cost of plants for January, February and March 1973

(e) what was the maintenance cost for these plants for January, February and March 1973?

2. Were these plants purchased in Canada or were they imported and, if so, how many in each category?

3. (a) What are the names and addresses of the firms from which purchases were made (b) were tenders called in all cases?

4. (a) What are the names and addresses of the firms to which maintenance contracts were let (b) were tenders called in all cases?

5. (a) How many replacements of plants were necessary for 1970, 1971 and 1972 (b) what was the total cost of replacements for these years?

Return tabled.

DEPARTMENT OF MANPOWER AND IMMIGRATION—HIRING OF CONSULTANT FIRMS

Question No. 1,828—**Mr. Orlikow:**

1. Since the Department of Manpower and Immigration was established, how many consultant firms have been awarded contracts to conduct studies within the Department?

2. (a) What was the name and address of each consultant firm which has received contracts from the Department since it was established (b) what has been the total payment made to each firm to date?

3. (a) How many of each consultant's recommendations have been adopted by the Department to date (b) what are the names of the firms making the recommendations adopted?

Return tabled.

LIP—NUMBER OF PROJECTS IN DRUMMOND CONSTITUENCY

Question No. 2,029—**Mr. Boisvert:**

For the constituency of Drummond, how many LIP projects were (a) submitted (b) approved (c) what is the name of each project (d) what was the amount paid by the government for each approved project?

Return tabled.

RENOVATION OF CONFEDERATION BUILDING

Question No. 2,133—**Mr. Stevens:**

1. (a) On what date was the decision made to renovate offices and facilities in the Confederation Building for the use of Members of Parliament (b) who made the decision?

2. On what date were tenders called for (a) furnishing (b) renovating the offices and facilities in the Confederation Building?

3. Were tenders for either furniture supply or renovations called for publicly and, if so (a) what were the names of the companies invited to submit bids (b) how long in each case were tenderers allowed to submit their tender (c) what were the tenders submitted and by whom (d) what companies were awarded contracts for such furniture supply or renovations?

4. (a) What was the date of opening of tenders (b) were the tenders opened publicly and, if not, for what reason?

Return tabled.

NUMBER OF AGRICULTURAL IMPLEMENTS MANUFACTURED IN CANADA

Question No. 2,144—**Mr. Matte:**

1. How many agricultural implements of all types used in Canada were manufactured in this country?

2. How much did each cost?

3. What is the origin of the farming machinery not manufactured in this country?

Return tabled.

GOVERNMENT ADVERTISING

Question No. 2,149—**Mr. O'Sullivan:**

1. Has the government published advertising known as "The Canadian Government Policy of Multiculturism" (a) in what publications and on what dates did this advertising appear (b) in each instance, what was the cost involved (c) was an advertising agency used in the production and the placement of this advertising and, if so (i) what is the name and address of the advertising agency (ii) what was the total amount paid the agency for the advertisement service?

2. (a) What is the total advertising budget for the current fiscal year of the Ministry of State responsible for Multiculturism (b) of this, how much is remaining as of June 1, 1973, and what future advertising is planned by the Ministry during the current fiscal year?

Return tabled.

RESEARCH AND STUDIES ON THE RISING COST OF FARM MACHINERY

Question No. 2,181—**Mr. Yewchuk:**

1. Has the government made any studies of the effects of unions and strikes on the rising cost of farm machinery and (a) if not, for what reasons (b) if so, on what date and by whom?

2. What consideration is being given by the government to reduce postal and express rates for parts of farm machinery mailed from and to the farmers?

3. What negotiations have taken place between the government and members of the head offices of (a) John Deere (b) International Harvester (c) Ford (d) Massey-Ferguson (e) J. I. Case (f) Allis-Chalmers (g) Oliver, Cockshutt to lower the prices of farm machinery sold in Canada?

4. What negotiations have taken place between the government and members of the head offices of Ford and other farm machinery companies, to allow the direct importation of tractors from Britain to Canada?

5. For each year, 1961 to 1972 inclusive, how many independent local dealers of farm machinery declared bankruptcy in the Provinces of (a) Alberta (b) Manitoba (c) Saskatchewan (d) Ontario (e) Quebec?

6. Which (a) Canadian-owned (b) non Canadian-owned manufacturers of farm machinery have received incentive grants from the Department of Regional Economic Expansion since 1969?

7. For each year, 1961 to 1972 inclusive, what was the total amount of money spent by the Department of Agriculture on research and development of farm machinery?

8. (a) Which universities are receiving financial support from the government for the purpose of doing research in the farm machinery field (b) what was the total amount of the grants given to each of these universities for the years 1961 to 1972 inclusive?

Orders for Returns

9. (a) On what dates have each of the recommendations of the Barber Commission on farm machinery been implemented (b) what have been the results in each case?

Return tabled.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—NAMES OF LAWYERS HIRED FROM PROVINCE OF QUEBEC

Question No. 2,193—**Mr. Fortin:**

1. What are the names of the lawyers and legal firms of the Province of Quebec who worked for the Department of National Health and Welfare between January 1, 1969 and January 1, 1973?

2. What tasks were performed by each one?

3. What amount was paid to each (a) in fees (b) in travel expenses?

Return tabled.

LIP—CRITERIA USED FOR APPROVAL OF PROJECTS

Question No. 2,319—**Mr. Alexander:**

1. What is the review procedure, in detail, for approving of Projects under LIP with reference to Members of Parliament, Ministers and Regional Ministers?

2. Who are the Regional Ministers for LIP in (a) British Columbia (b) Alberta (c) Saskatchewan (d) Manitoba (e) Ontario (f) Quebec (g) Nova Scotia (h) New Brunswick (i) Prince Edward Island (j) Newfoundland (k) Northwest Territories (l) Yukon?

3. What are his/her responsibilities?

4. What authority does he/she have in the final decision process for grants under LIP?

5. What criteria are used for approving Projects under the Local Initiatives Program?

6. (a) What consultations are undertaken in the event of an impasse between departmental officials and Regional Ministers (b) how is it resolved?

Return tabled.

NEW HORIZONS PROGRAM—PROJECTS APPROVED IN CHAMPLAIN CONSTITUENCY

Question No. 2,349—**Mr. Matte:**

1. How many projects were accepted and approved under the New Horizons Program up to June 21, 1973, in the constituency of Champlain?

2. What are the names, locations, amounts of aid granted and time limits for completion of each such project?

3. What criteria are used in the selection of New Horizons projects?

Return tabled.

CANCER RESEARCH

Question No. 2,369—**Mr. McKinnon:**

By province, what were the amounts of money spent on cancer research in each year 1968 to 1972?

Return tabled.

[Mr. Yewchuk.]

ST. LAWRENCE ISLANDS NATIONAL PARK PERSONNEL

Question No. 2,429—**Mr. Cossitt:**

1. What are the names, addresses and specific functions of all persons who are employed by St. Lawrence Islands National Parks at the present time or who have been employed at any time since January 1, 1972?

2. On whose recommendation were these people hired?

3. Were such persons processed through Canada Manpower offices in the course of hiring in every case and, if not, for what reason?

Return tabled.

CABLEVISION—OPERATION OF UNITED STATES COMPANIES IN CANADA

Question No. 2,452—**Mr. Baker:**

1. Was a court ruling made to the effect that the Department of Public Works has power to order the removal of a coaxial cable from the St. Stephen International Bridge and did Terra Cable Limited file an objection relating to its presence and use with CRTC and, if so, for what reason does the Department allow its continued presence and use?

2. Does Acadian Cable TV Ltd. make a contribution in any way to Canadian culture, business or national interest and, if so (a) in what manner and to what extent (b) does the Minister of Communications or the Minister of Public Works consider such contribution to outweigh the protection of Canadian-owned business and citizens operating under licence at St. Stephen's, New Brunswick?

3. Has the government or any board, commission or official thereof approved the use of ANIK I to connect cable television operations originating in the United States, that is, the TelPrompTer or any other US company to operate in the Provinces of New Brunswick and Ontario and, if not, is there an application for such authority pending?

4. To the knowledge of the government, what are the names of the officers and directors of the TelPrompTer Corporation and does the TelPrompTer Corporation or any of its officers, directors or shareholders have any interest of any nature or kind, direct or indirect, in a company known as Acadian Cable TV Ltd.?

Return tabled.

Mr. Speaker: Shall the remaining questions stand?

Mr. Hales: On a point of order, Mr. Speaker, I would like to bring to the parliamentary secretary's attention the fact that that, although he cleared off a good number of questions today, there still remain under my name question No. 1,809, which has been on the order paper for five months, and No. 2,019 which has been there for four months.

Mr. McKenzie: Mr. Speaker, on July 19 I placed question No. 2,543 on the order paper. Can the parliamentary secretary give any indication when this question will be answered?

Mr. Reid: I will look into the matter, Mr. Speaker.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notices of motions Nos. 230 and 231.

COPY OF TRANSCRIPT OF PUBLIC HEARING FOR LICENCE OF NORTHGATE CABLE COMPANY

Motion No. 230—**Mr. Beattie (Hamilton Mountain):**

That an Order of the House do issue for a copy of the transcript of the public hearing of application for licence of the Northgate Cable Company to be incorporated, February 10, 1970, file No. 6404254.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, since the hon. member has been provided with a copy of the document requested I would therefore ask him to withdraw his motion.

Mr. Beattie (Hamilton Mountain): Mr. Speaker, I have indeed received the document. I thank the parliamentary secretary and withdraw my motion.

Mr. Speaker: The motion is dropped.

NORTHGATE CABLE COMPANY—APPLICATION TO CRTC

Motion No. 231—**Mr. Beattie (Hamilton Mountain):**

That an Order of the House do issue for a copy of the Northgate Cable Company's application to CRTC.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, since the hon. member has been provided with a copy of the document requested, I would therefore ask him to withdraw his motion.

Mr. Beattie (Hamilton Mountain): Mr. Speaker, I did receive it, and I withdraw my motion.

Mr. Speaker: The motion is dropped.

Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

[*English*]

FOOD PRICES

BREAD—REQUEST FOR ASSURANCE SUBSIDY WILL PREVENT FURTHER INCREASE IN PRICE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask some questions arising out of the Prime Minister's remarks yesterday relating to the position of Canadians in need. The first relates to the price of bread, the cost of a 24 ounce loaf having gone up six cents today. In view of the fact that spokesmen for the

industry have said that the government's increased subsidy of $1.25 per bushel would not prevent a further increase of six cents on a 24 ounce loaf of bread in the next month, and have categorized the increased subsidy as throwing a stone at an elephant, I would like to ask the Prime Minister how the government intends to back up the assurance that he gave yesterday that the announced increase in subsidy will prevent a further increase of five cents a loaf which would otherwise be inevitable in October?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Lang: —the Leader of the Opposition has referred to the increase of 25 cents in the consumer subsidy, and of course he is quite right in saying that this, by itself, cannot have the effect of stopping a further increase in the price of bread. Just as the reduction of four cents some little time ago was minimal influence in the price of bread, so the 25 cents would in terms of real cost only mean a reduction of about half a cent on the price of a load of bread. However, accompanying this has been action on our part in arranging a long-term agreement in relation to the price of wheat in Canada which will be lower than the present world price and will be effectively equivalent to price levels on August 1, both for spring wheats and Durum. People associated with the baking industry have indicated that these two courses of action together should obviate the need for further increases in the price of bread for some number of months.

● (1420)

BREAD—ASSURANCE TO PRIME MINISTER BY INDUSTRY AT THE TIME OF ANNOUNCEMENT PRICE WOULD NOT BE INCREASED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, a supplementary question and I ask it because of the comment made by the spokesman for the industry today. Did the Prime Minister or the Minister of Justice, who is responsible for the Wheat Board, have any assurance from the industry that the price of bread would not be increased further in October when the Prime Minister made that statement in the House yesterday?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we had discussions with representatives of the industry who gave us a clear indication that the six cent increase that has just taken place had included not only the amount necessary to cover the increase in the cost of wheat from $1.95½ to approximately $3.25 but that it covered all the additional costs in line with their ordinary increases. They also indicated that if the price of wheat were stabilized there ought not to be a further increase in the price of bread for six months or a year. I would count on the Prices Review Board to ensure that this is so.

Oral Questions

VETERANS AFFAIRS

WAR VETERANS ALLOWANCE—POSSIBLE ADJUSTMENT OF CEILING TO PERMIT RECEIVING OLD AGE PENSION INCREASE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, a final supplementary to the Prime Minister, still on the question of Canadians in need relating to the position of veterans on War Veterans Allowance—

Mr. Speaker: Order, please. The Chair will recognize the hon. Leader of the Opposition for a supplementary question but I think I should indicate that I do this in view of the hon. gentleman's special position in the House. I think he is entitled to this, but if the supplementary refers to increases in veterans benefits I have some doubts about whether it is really a supplementary. Perhaps it is more a related question. I say this to protect the position of the Chair, generally speaking. The hon. member, of course, will be allowed his supplementary after which the Chair will recognize the hon. member for Saskatoon-Biggar.

Mr. Stanfield: Mr. Speaker, I do not wish to take advantage of my position or your generosity. My question is related to the position of those in need and arises out of the Prime Minister's statement yesterday. It was for that reason that I took the liberty of asking a supplementary relating to the position of war veterans.

In view of the ceiling that now exists on the maximum amount that war veterans can receive, and because this ceiling remains fixed, those who are now receiving the maximum will not derive any benefit from the proposed changes in the old age security or guaranteed income supplement position. Can the Prime Minister state whether the government intends to adjust the ceilings of the war veterans allowances so that the veterans can receive these advantages?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this question was discussed in cabinet and brought to us by the Minister for Veterans Affairs. The minister has the authorization of cabinet to bring forward some proposals and these would be made known in due course.

* * *

GRAIN

EFFECT OF SUBSIDY ON DOMESTIC GRAIN ON WESTERN PRODUCER—NEGOTIATION OF LONG-TERM FLOOR PRICE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, a supplementary question to the Minister in charge of the Wheat Board. In view of the fact that the August based price of wheat which he referred to is $3.18, and that the subsidy of $1.25 will bring that up to $4.43 which is $1.22 less than the present export price of the Canadian Wheat Board, does the minister now say to this House that the western farmer is going to subsidize the Canadian consumer to the extent of $1.22 per bushel?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, what it means is that an agreement of a long term nature is being developed which incorporates a true and effective two-price system into our Canadian wheat selling system with a floor price in the area of $3.25 as a long-term floor price. I remind the hon. member that the $3.25 figure, which will be the long-term floor for wheat for domestic consumption, is higher than the price which has been paid for wheat in Canada at any time on our history except in the last few months.

Mr. Gleave: A supplementary question, Mr. Speaker. Since the Canadian Wheat Board Act makes no provision for such manipulation as has been proposed to this House, can the minister in charge of the Wheat Board tell this House with whom such arrangement is being negotiated?

Mr. Lang: The arrangement is being negotiated and discussed with the Canadian Wheat Board which of course, can enter into such arrangements easily, say, with a buyer from another country. I think it would be attracted to the proposition of entering into an arrangement for between five and seven years on the basis of a firm price ranging from $3.25 to $4.50. We are having discussions with the Canadian Wheat Board about the length of agreement which would be desirable. We put forward to them the possibility, for instance, of three, five or seven years as the term of the agreement. They seem to favour seven years.

* * *

[*Translation*]

THE CANADIAN ECONOMY

METHOD OF APPLYING SUBSIDIES TO BREAD AND MILK

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary for the right hon. Prime Minister.

Yesterday, he announced a subsidy of 5 cents per quart of milk, and another on bread. Last night, I noticed that milk had already gone up by 3 cents a quart, going from 35 to 38 cents, and a loaf of bread from 37 to 43 cents. Now, will the government subsidies be granted on the basis of the prices before the Prime Minister's statement yesterday, or on that of the new consumer prices?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the minister in charge of the Wheat Board has just answered the question with regard to bread. In the case of milk, it will be the price of milk paid by consumers in the provinces whose governments will agree to stabilize or lower the price paid in fact by the consumer. The hon. member surely knows that whole milk falls within provincial jurisdiction; the federal government on its own, intends to pay a subsidy of 5 cents per quart sold to the consumer, in order to lower consumer prices and prevent them from going up, provided the provinces agree, through their dairy commissions, to keep prices from going up or even to roll back prices.

Mr. Caouette (Témiscamingue): Can the Prime Minister tell us when this agreement will be reached with the provinces, seeing the cost price of milk has already gone up by 3 cents a quart since his announcement yesterday?

Mr. Trudeau: Mr. Speaker, I believe that as early as yesterday the Minister of Agriculture was to contact his

opposite provincial numbers. Somehow, I feel the Créditiste leader is alluding to prices in one particular province, but uniformity is not the case in Canada since each province can control the price of whole milk according to the standards of its own marketing board. That is why the federal government has said that it is willing to pay a 5 cent subsidy provided, in fact, it benefits the consumer and not the provincial governments.

* * *

[*English*]

GRAIN

COMPENSATION TO PRODUCERS FOR LOSS RESULTING FROM DIFFERENCE BETWEEN EXPORT AND DOMESTIC PRICES—GOVERNMENT POSITION

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, may I direct a supplementary question to the minister in charge of the Canadian Wheat Board. In view of the announcement of the freeze on domestic milling wheat at some $3.25 a bushel, as opposed to the export price of $5.65 a bushel, will the minister tell the House if producers will be compensated for the $2.40 a bushel spread between export and domestic prices of wheat, as they will sustain a loss per bushel of $1.15 even with the maximum subsidy which will amount to over $60 million a year loss to the western producer.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the compensation to producers is in the assurance that over the long term the domestic price of wheat will not fall below $3.25, which, as I indicated a few moments ago, was until a few months ago a price higher than we had ever had in the history of Canada.

● (1430)

REQUEST FOR RECONSIDERATION OF AMOUNT OF SUBSIDY ON WHEAT

Mr. Les Benjamin (Regina-Lake Centre): In view of the representation of the minister in charge of the Canadian Wheat Board, will the Prime Minister give consideration to revising the 25 cent increase in the subsidy to at least $2 and maintain such a subsidy until such time as world prices fall to a level equal to the present domestic price?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I wonder why the hon. member is suggesting $2 rather than $3, $4 or $5.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I asked the Prime Minister a straightforward question. Will he give consideration to raising the amount of the subsidy to the full amount of the difference, $1.15. I am only suggesting 75 cents in order that Canadian farmers can avoid subsidizing bread prices in the fall? Will the government consider revising the figure to that amount?

Mr. Trudeau: Mr. Speaker, if the hon. member listened attentively to the Minister of Justice in charge of the Canadian Wheat Board, he would understand that this is in the nature of a contract which the government is prepared to make, on behalf of the Canadian people, with the

Wheat Board. As the minister indicated, the wheat board is making this kind of contract all the time with foreign countries. This is a guarantee of having a minimum price and a maximum price. This is the proposition the government has put to the Wheat Board and which we are confident they will accept.

INQUIRY AS TO ACCEPTANCE BY WHEAT BOARD OF AGREEMENT SETTING MAXIMUM AND MINIMUM PRICES FOR WHEAT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I think the Prime Minister just answered my question. I wish to ask the minister responsible for the wheat board whether the wheat board has accepted this proposition, whether this is being announced as something the wheat board has agreed to or whether discussions are going on with the wheat board? The Prime Minister announced this matter as though the wheat board had already accepted it.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the announcement of yesterday followed agreement to the general principle and the figures by the Canadian Wheat Board. We left open the question of the term which would be most desirable for final resolution. That is now being resolved.

Mr. Speaker: I think the hon. member for Humber-St. George's-St. Barbe has a supplementary to the second prong of the original two-pronged question asked by the Leader of the Opposition.

* * *

VETERANS AFFAIRS

REQUEST FOR ACTION TO INSURE RECIPIENTS OF WAR VETERANS ALLOWANCE BENEFIT OF INCREASE IN OLD AGE PENSION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a related question for the Minister of Veterans Affairs. In view of the fact the minister now has authority from cabinet to make the increase in old age security exempt from inclusion in the war veterans allowance for those over 65, will he take this action and will it be done in time so that the war veterans falling within this category will receive this benefit at the same time as those receiving the increase in the old age security pension?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the government will take steps to see that the veterans get a fair deal.

Mr. Lawrence: Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. I will defer asking it until he returns.

Oral Questions

GRAIN

REQUEST FOR INCREASE IN SUBSIDY ON DOMESTIC WHEAT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Prime Minister. It is supplementary to the first prong of the two-pronged question asked by the Leader of the Opposition. In view of the announcement yesterday that the Canadian farmer will be subsidizing the Canadian consumer by at least $1.20 a bushel, can the Prime Minister assure the House that the domestic price which the farmer receives for his wheat will be no lower than the international price which he receives? In other words, will he consider increasing the subsidy on domestic sales so that the farmer will not have to pay for the consumer's bread?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the real reward to the farmer, and the reason this arrangement is so much in his interest, is that the price of $3.25 is being protected over a period of years during which the world wheat price may fall well below that level. This is according to experiences and is an historic fact. Just as for two years we had an effective domestic price at $3 through the two-price system, which was for quite a long time $1.40 or nearly that above the world price for wheat, the world price for wheat may now be temporarily above the price at which wheat is available to Canadians. However, that may be offset in due course by the price in the world market being below the price of $3.25 which is being protected for the Canadian farmer.

Mr. Speaker: Order, please. A number of members are seeking supplementaries. I will recognize the hon. member for Qu'Appelle-Moose Mountain and then try to move on to the next question. If there is time, we will return to this important matter later.

SUGGESTED CONSULTATIONS ON RESTORATION OF INTERNATIONAL WHEAT AGREEMENT

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is supplementary to that asked by the hon. member for Yorkton-Melville. Has the minister in charge of the Canadian Wheat Board made any contact with the United States, Argentina and Australia with regard to getting a joint declaration of intention to restore the old international wheat agreement to make this policy of the government work?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we have made it clear to our trading partners including the countries to which the hon. member referred that we support the principle of orderly marketing internationally, as we have just so clearly indicated we do nationally. We are ready at any time to begin discussions toward a meaningful grains arrangement with a proper price range which protects a reasonable price in down-turns and also places a reasonable maximum in up-turn circumstances where a shortage of grain can make such a difference in price. I think it is fair to say that among exporting countries, the United States in particular has not yet shown a readiness to begin serious discussions about such an arrangement.

[Mr. Lawrence.]

EXTERNAL AFFAIRS

POSSIBLE ACTION BY GOVERNMENT TO EXPRESS DISAPPROVAL OF ATOMIC TESTING BY FRANCE

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the fact the government of France has grossly misrepresented the facts concerning the Canadian ship *Greenpace III*, and in view of the fact the Minister of Defence, Mr. Robert Galley, has announced from Papeete, Tahiti, that notwithstanding the decision of the world court, France will continue its atomic testing, does this government contemplate any steps to voice disapproval of this policy by the government of France?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the government of Canada has already expressed its displeasure and has protested this action. It intends to continue doing so.

Mr. Reynolds: If the government of France continues this inaction, does the government plan any sanctions of an economic nature such as the restriction of French imports, to make clear our stand on France's internationally illegal policy?

Mr. Speaker: Order, please. The hon. member's question is hypothetical.

* * *

ENERGY

PETROLEUM PRODUCTS—INQUIRY AS TO LEGISLATION ON PRICE FREEZE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. It arises out of the Prime Minister's statement yesterday regarding the imposition of a freeze on the price of petroleum products. Does the government intend to introduce legislation to give effect to this freeze or is it relying entirely upon voluntary restraint by the oil industry? Has the minister had discussions with the oil industry and have they indicated their willingness to adhere to this policy?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Mr. Speaker. We do not intend to introduce legislation with regard to the freeze. It is the intention to introduce legislation with regard to divorcing the Canadian domestic price of oil from the American market. Discussions have been held with the producers. We will be having additional discussions with the producers with regard to the request that was made yesterday.

INCREASE IN PRICE OF CRUDE OIL—POSSIBLE ACTION TO ROLL BACK—GOVERNMENT ACTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that the price of crude oil has risen four times in the past nine months, an increase of almost $1.00 per barrel, despite the fact that in recent years the production cost per barrel has declined, has the minister or the

National Energy Board made any studies to see whether these increases, particularly the 40 per cent increase effective August 1, are warranted? Does the government intend to take any steps to roll back this price if, as a result of their studies, they find the increase was not justified?

● (1440)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, on the basis of the statement by the spokesman for the oil industry in respect of recent increases, they have acknowledged that they were really only to keep pace with increases in the international prices. In other words, there has been no suggestion on their part that these increases are related to cost increases incurred in Canada. It is for this reason that the general approach there is related to a change in circumstances. The windfall that is occurring here is such that we feel there should be an introduction of either an export tax or possibly an oil marketing board so the windfall would be to the benefit of a wider public.

Mr. Speaker: The Chair will recognize the hon. member for his second and last supplementary question, followed by the hon. member for Shefford and the hon. member for Fundy-Royal.

Mr. Douglas: Mr. Speaker, I thank the minister for his answer which justifies the position we have taken in asking for a two-price system. I should like to ask the minister whether, in view of the statement he has just made, his government is merely going to freeze this escalated price, or does it propose to take any steps to urge the oil industry, or ask parliament for legislative authority, to roll this price back?

Mr. Macdonald (Rosedale): Mr. Speaker, I think it is fair to point out that there is a combines proceeding under way against the oil industry in relation to this increase. It would not be my intention to seek legislation in order to return prices to the levels of a year ago.

* * *

[*Translation*]

EXHIBITIONS

EXPO 74 IN SPOKANE, WASHINGTON—POSSIBLE RECONSIDERATION OF DECISION NOT TO PARTICIPATE

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Minister of Environment.

Since the Canadian government has until the end of September to go back on the decision to abstain from taking part in Expo 1974 on Environment which will be held in Spokane, Washington, does the minister intend to have that decision reconsidered by the cabinet?

[*English*]

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the minister is considering this matter at the present time, and as soon as there is a change in our position I will be glad to inform the hon. member.

INDIAN AFFAIRS

POSSIBLE RECOVERY OF MISSING FILES—MINISTERIAL ACTION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Have the department files which were the subject of an investigation been discovered within the offices of the department itself? Did anybody think to look in the offices before launching a police investigation, and what steps is the minister taking to improve his office procedures?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, first of all, the file cabinets were stolen; then, one was found on the roof. I have been told that a quarter of the files have been found in the building and that three-quarters have not yet been found, either by officials from my department or by the police.

* * *

[*English*]

FINANCE

POSSIBLE RECALL OF THREE PER CENT PERPETUAL BONDS—GOVERNMENT POSITION

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to address my question concerning Dominion of Canada perpetual bonds to the Minister of Finance. In view of the extremely low interest rate these bonds carry, namely 3 per cent, and bearing in mind that they are held by many widows, senior citizens and people on fixed incomes as well as the fact that a much higher interest rate is now available, would the minister seriously consider calling these bonds in at face value so these people would be able to obtain a fair return?

Some hon. Members: Hear, hear!

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to thank the hon. gentleman for the courtesy of giving me notice of his question. Just before the summer adjournment I met with a committee of members from both sides of the House to discuss once again this question of the perpetual bonds issued some years ago. In spite of further research, we still have not found an equitable way to redeem the bonds.

Mr. Speaker: Does the hon. member for Northumberland-Durham have a supplementary question?

Mr. Lawrence: No, Sir, the minister I wanted has dodged out on me again.

Oral Questions

AGRICULTURE

POSSIBLE REMOVAL OF EXPORT CONTROLS ON CATTLE—REQUEST FOR CHANGE IN REGULATIONS COVERING FEEDER CATTLE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture and has to do with the embargo on cattle exports to the United States. I would ask whether the government or his department has given consideration to determining if this embargo will end on September 12 when the controls imposed by the United States will terminate?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, this all depends on what action is taken by the United States. If they remove their controls we hope to be able to remove our export controls as well at the same time.

Mr. Diefenbaker: Mr. Speaker, in addition to that, between now and September 12 when it is believed these controls will be removed by the United States, will the minister give immediate attention to changing the regulations now in effect which result in feeder cattle of top grades being denied export from Canada while lower grades are allowed to be shipped out with the result that Canadian feedlot companies and organizations have to compete with the United States for our feeder cattle which are under embargo, and this is working havoc with our feedlot operations?

Mr. Whelan: Mr. Speaker, we are watching this very closely. I am in close consultation with the Minister of Trade and Commerce who has the authority to use these export-import permit controls. I am in close contact as well with the Canadian Cattlemen's Association and other organizations. I have had conversations with the feedlot operators in the west and in the east. We realize that a situation does exist and that feeder cattle are going to the United States. I would report to the House, Mr. Speaker, that feeder cattle have moved to the United States in other years in greater numbers than are now moving. This government does not like to put excessive controls on anybody.

Some hon. Members: Hear, hear!

* * *

HOUSING

INQUIRY AS TO GOVERNMENT ACTION TO CONTROL COST

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Prime Minister a question in relation to his statement in respect of measures to deal with the cost of living. Does the government intend to take any other immedaite measures to control the high cost of housing which is causing a great deal of suffering to those Canadians who want to purchase homes?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I answered a similar question yesterday by indicating that when further measures are to be taken we will announce them in the usual way.

Some hon. Members: Oh, oh!

* * *

FINANCE

INTEREST RATES—SUGGESTED INTERVENTION BY BANK OF CANADA TO CONTROL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Finance a further question. In light of the fact that interest rates have reached an all-time high, causing suffering to those in the middle and low-income brackets, will the government now intervene with the Bank of Canada to make certain that interest rates are either rolled back or controlled?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the hon. gentleman in his quieter moments would understand that interest rates are responding to a very strong expansion in the economy and a very strong demand for credit. The international interest rates have resulted in the unprecedented situation where Canadian interest rates on short and medium-term money are two to three points lower than in the United States and five points lower than in any other industrial country in Europe.

An hon. Member: So what?

Mr. Woolliams: Mr. Speaker, I should like to ask one additional supplementary question. Do I take it from the answer of the Minister of Finance that he is going to leave the whole problem on the shoulders of the medium and low-income people of Canada, irrespective of the excessive—

Some hon. Members: Order, order.

* * *

LABOUR CONDITIONS

DISPUTE WITH RAILWAY EMPLOYEES—SUGGESTED APPOINTMENT OF THREE ARBITRATORS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a question for the Minister of Labour. In view of the great number of issues in dispute remaining between railway workers and the companies and the difficulty facing one arbitrator in dealing with all these matters in dispute, is the minister in a reasonably short time going to give consideration to the appointment of three arbitrators, one to deal with each of the unions in dispute with the companies?

Hon. John C. Munro (Minister of Labour): No, Mr. Speaker. As the hon. member is aware, today we have appointed Mr. Justice Emmett Hall as the arbitrator with reference to the non-operating unions. We are talking now with the leaders in respect of the shopcrafts and the UTU, and we will listen to their submissions as to how they wish to proceed. They might wish to negotiate for a time

prior to wanting an arbitrator. They may be desirous of having a different arbitrator than the one we have appointed for the non-ops, or they might be agreeable to working out their disputes within the ambit of the present arbitrator. In other words, I would prefer to leave this until I have a further opportunity for discussion.

DISPUTE WITH RAILWAY SHOPCRAFT EMPLOYEES—JURISDICTION OF ARBITRATOR TO DEAL WITH PAY

Mr. David Orlikow (Winnipeg North): I should like to ask the minister one supplementary question. As I understand it, he has answered the first question in that the appointment of Mr. Justice Hall has been accepted. Could I ask the minister, in view of the fact that a substantial number of the workers in the shopcraft categories are in fact to get an increase of less than 34 cents an hour in pay for this year, whether that matter will come within the jurisdiction of the arbitrator to rule on whether they are entitled to get the full amount.

● (1450)

Hon. John C. Munro (Minister of Labour): If an arbitrator is appointed with reference to the shopcraft, most definitely yes, Mr. Speaker.

* * *

ENERGY

GASOLINE—CONTROL OF RETAIL PRICES—GOVERNMENT POSITION

Mr. Terry O'Connor (Halton): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources supplementary to those asked earlier. In view of the fact that some retail gas outlets in southern Ontario raised the price of gasoline ten cents per gallon last night, will the government policy in this regard involve any steps to roll back retail prices or prevent further jumping of the gun in anticipation of a freeze?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot be sure whether they are independents or affiliated to the companies. Of course, the freeze is related to the price of crude oil for sale in markets west of the Ottawa Valley line.

Mr. O'Connor: Mr. Speaker, with the greatest respect, my question relates specifically to retail prices. Is the government going to take any steps in respect of retail prices? I may say to the minister that these are dealers affiliated with companies.

Mr. Macdonald (Rosedale): Mr. Speaker, I pointed out that the government policy related to crude oil prices.

HEALTH

FREE DRUGS FOR OLD AGE PENSIONERS—GOVERNMENT POSITION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I have a question for the Minister of National Health and Welfare. May I ask the hon. gentleman if he can advise what progress is being made with regard to the provision of free prescription drugs for all those Canadians who qualify for old age security and any portion of the guaranteed income supplement?

Hon. Marc Lalonde (Minister of National Health and Welfare): Those provisions among many others are being discussed in the general review of social security for all Canadians, including aged Canadians.

Mr. Muir: Mr. Speaker, is the minister in a position to advise just how soon this study and review will be going on and how soon we may have some developments in this regard?

Mr. Lalonde: The review is going on now.

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[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

INQUIRY AS TO INFORMATION GIVEN PROVINCIAL GOVERNMENTS ABOUT CABINET MINISTERS

Mr. René Matte (Champlain): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister.

Could the Prime Minister tell the House whether he follows the policy of informing his colleagues, the provincial premiers, when the RCMP or the Solicitor General tell him of some compromising action on the part of cabinet members in a province?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question is really too vague for me to be able to reply to it.

* * *

[*English*]

LABOUR CONDITIONS

HAMILTON—STRIKE OF GARBAGE COLLECTORS—REQUEST FOR FEDERAL INTERVENTION

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my question is for the Minister of National Health and Welfare. In light of the fact that a labour-management dispute which is going on in the city of Hamilton has halted garbage collection for the past seven weeks and in light of the fact that the health inspectors are out on strike also, would the minister inform the House if he would use his good offices to investigate the smelly situation which could reach epidemic proportions if not halted soon. I ask this question notwithstanding the fact that it comes under provincial jurisdiction?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I think the hon. member gave the

answer to his own question. This is the exclusive responsibility of the provincial government of Ontario and I think this parliament has given a good example as to what could be done. We are waiting for the leadership of the government of Ontario in that respect.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

AIRPORTS

STE SCHOLASTIQUE—POSSIBLE RE-OPENING OF EXPROPRIATION CASES

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I have a supplementary question for the Minister of Transport.

In view of the displeasure expressed by many of the Sainte-Scholastique expropriated people whose spokesmen are here today in the house, does the Minister intend to re-open the Ste Scholastique file to review the apparently justified claims of the people expropriated, especially in the field of farm rentals, so that they will be treated more fairly?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, Mirabel involved 3,142 cases of expropriation, 2,587 of which were settled, 135 are being settled and 80 have not been settled. Furthermore, 340 have received advances.

[*English*]

Mr. Speaker: The hon. member for Northumberland-Durham.

Order, please. Before the hon. members' victim is lost the third time perhaps he might be allowed to ask the question.

* * *

COMBINES INVESTIGATION ACT

DATE OF INTRODUCTION OF LEGISLATION

Mr. Allan Lawrence (Northumberland-Durham): Your patience is everlasting, Mr. Speaker. My question relates to part of the statement made yesterday by the Prime Minister, but this one is related to legislation regarding the Combines Investigation Act. I should like to ask the Minister of Consumer and Corporate Affairs when we may be able to view either the details of the bill or the bill itself.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am consulting with the House leaders about this. I am hopeful that it will be very soon.

Mr. Lawrence: Mr. Speaker, I wonder whether the minister could inform us if the legislation has even been drafted?

Mr. Gray: Yes, it has, although the draftsmen are putting some finishing touches to it.

AGRICULTURE

SUBSIDY ON FLUID MILK—AGREEMENT OF PROVINCIAL MARKETING BOARDS

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, my question is for the Minister of Agriculture. I should like to ask the minister whether he, on behalf of the government, has placed before the provincial milk marketing boards formal proposals embodying the announcement made in the Prime Minister's statement of yesterday and how soon he expects agreement will be reached?

Hon. E. F. Whelan (Minister of Agriculture): A meeting is now going on in the Sir John Carling Building between the Canadian Dairy Commission, the industry and producer representatives. We hope some conclusion will be forthcoming from this meeting this afternoon.

SUBSIDY ON FLUID MILK—REQUEST FOR ASSURANCE CONSUMERS WILL RECEIVE BENEFIT

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I have a question for the Prime Minister in the same general area arising from the assurance which he has seen fit to give in respect of a subsidy on milk for consumers. Is the Prime Minister prepared to guarantee to the House that this milk subsidy will be passed on to the milk consumers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is the intention in the statement I made yesterday. The federal government is prepared to pay a five-cent subsidy per quart on milk, provided the provinces give the assurance that was mentioned in my statement that they will either contain or roll back the prices.

* * *

NORTHERN AFFAIRS

ACTION TO ENSURE BENEFIT OF SUBSIDIES RECEIVED BY RESIDENTS OF NORTHERN AREAS

Mr. Erik Nielsen (Yukon): Mr. Speaker, since there are no marketing boards similar to those which exist in the provinces in the two northern territories, the Yukon Territory and the Northwest Territories, and since this is a matter falling under the jurisdiction of the Minister of Indian Affairs and Northern Development, what steps is he taking to ensure that the citizens of Canada in those two northern areas receive the same kind of benefits in respect of these announcements concerning subsidies.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are presently studying the best methods to adopt in order to provide the same benefits for residents of the North as for those of southern Canada.

[*English*]

AGRICULTURE

SUBSIDY ON FLUID MILK—METHOD OF APPLICATION IN NEWFOUNDLAND

Mr. James A. McGrath (St. John's East): Mr. Speaker, since the province of Newfoundland has no milk marketing board, has the government figured out ways and means to make this subsidy effective in the province of Newfoundland where the price of milk is the highest of any province in Canada.

● (1500)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we foresee no real difficulty in doing that in Newfoundland because of the way in which the market operates there. We feel that we can work with the producers. If they do not pass on the subsidies to the consumers we will point out that fact to the food review board so that the public will know the distributors are not acting as good corporate citizens.

* * *

CP AIR

ACTION TO ENSURE SAFETY OF AIRCRAFT IN VIEW OF MACHINISTS STRIKE

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is directed to the Minister of Transport. In view of the continuing CPR machinists strike, could the minister advise the House what precautionary steps, if any, are being taken in the servicing of CP aircraft as these airplanes are being maintained by personnel with inadequate experience and therefore the safety of passengers using strikebound airlines is being jeopardized?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the Department watches very closely the Canadian Pacific repair shops, and all the security standards of the department have until now been rigorously complied with.

* * *

[*English*]

THE CANADIAN ECONOMY

GOVERNMENT POSITION ON CONTROL OF INFLATION BY SUBSIDIES AND SELECTIVE PRICE CONTROLS—EFFECT OF MONETARY AND FISCAL POLICY

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Prime Minister. Now that we have had a chance to study the statement made by the Prime Minister yesterday, is it proper to define the position of the government of Canada as being that inflation in this nation can be cured by subsidization and selective price controls?

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

Mr. Gillies: My question is again directed to the right hon. Prime Minister. Am I to infer from his reply, therefore, that the government of Canada is content with the monetary, fiscal and exchange rate policy and is suggesting that these have no influence on the rate of inflation in this country?

Mr. Speaker: Order, please. The question is hardly in order.

* * *

EXTERNAL AFFAIRS

REQUEST FOR FURTHER PROTESTS ON "GREENPEACE" INCIDENT AND ATOMIC TESTING BY FRANCE

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question for the Secretary of State for External Affairs which is related to one which was asked him a little earlier today. Having in mind the fact that the meeting of members of parliament from the three major parties in the House yesterday with members of the French national assembly who are visiting Ottawa revealed that our French colleagues supported, first, nuclear testing in the Pacific, and second, had little concern over the *Greenpeace* protest incident, will the government renew its representations on these points in such a manner as to indicate in the most tangible way the feelings of parliament on this matter?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the House will be interested to know that I will be seeing the French ambassador this afternoon.

Mr. Speaker: I will now recognize the hon. member for Egmont followed by the hon. member for Athabasca and then call orders of the day.

* * *

THE CANADIAN ECONOMY

INQUIRY AS TO GOVERNMENT'S LEGISLATIVE PROPOSALS TO DEAL WITH INFLATION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is supplementary to that of the hon. member for Don Valley and I direct it to the Prime Minister. It is also related to questions that I have asked him both yesterday and Friday. Since he has indicated that the program of the government is not totally one of subsidization, and having had a little time to think over the questions raised yesterday, could he indicate in specific terms what legislative proposals the government will be advancing here in order that parliament may deal effectively with the root causes of inflation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member would refer to my statement of yesterday, and to the one I made early in August, he would see that there are three prongs to the government's attack on inflation: one is subsidization, and I think that that aspect could not be knocked by the opposition

because they are asking for higher subsidies rather than lower ones. The other is to ensure a sufficient supply, and the third is to come to the assistance, mainly through social security measures, of those who cannot protect themselves against inflation.

Mr. Speaker: Hon. members will appreciate that we have gone beyond the time allocated under the rules to the question period. I thought I would recognize the hon. member for Egmont on a supplementary question and also the hon. member for Athabasca.

INQUIRY AS TO WHETHER MEASURES ANNOUNCED BY PRIME MINISTER TO COMBAT INFLATION CONSTITUTE GOVERNMENT'S CONTINGENCY PLAN

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my supplementary question is for the Prime Minister. In previous weeks in the House he mentioned that he had a contingency plan with which to deal with inflation. Can the Prime Minister indicate whether the announcement made yesterday represented this contingency plan or whether there is still a contingency plan to deal with inflation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I answered the very same question yesterday. The hon. member should refer to *Hansard.*

GOVERNMENT ORDERS

[*Translation*]

OLD AGE SECURITY ACT

PROVISION FOR QUARTERLY ADJUSTMENT OF PENSION

The House resumed from Tuesday, September 4, consideration of the motion of Mr. Lalonde that Bill C-219, to amend the Old Age Security Act, be read the second time and referred to the committee of the whole House.

Mr. Speaker: As we adjourned last night, the hon. member for Bellechasse had been recognized. I therefore recognize the hon. member for Bellechasse.

Mr. Adrien Lambert (Bellechasse): I thank you, Mr. Speaker, for giving me the opportunity of concluding my remarks. I shall be very brief in view of the intense heat that we have to put up with. I would merely add this: I have the definite impression that it is extremely advantageous for the Canadian people to have a minority government, because it enables them to have the passing of measures which would certainly have been turned down under a majority government. Here is the proof: A few years ago, under a majority government, the old age security pension had been increased by 42 cents, whereas in 1973, under a minority government and during the same session, we obtained most substantial increases. This means that Canada can do something for the aged whether the government holds a majority or not. What must be considered is the capacity of our country for giving justice and ensuring security for the aged.

[Mr. Trudeau.]

• (1510)

I also wished to add that really extraordinary things are happening within the field of family allowances and to meet the needs of those who spend as much today as they did a few years ago for social security, especially family allowances, Providence really put things straight.

This afternoon, I was given really extraordinary answers to questions I had placed on the order paper and that will prove interesting not only to hon. members but to the Canadian people as well.

To the first question:

1. What percentage of the gross national product was spent on family allowances, as at July 31, 1945?

The reply was the following:

1. 1.92 per cent.

Those figures are for the year 1945. Here was the second question:

2. What percentage of the gross national product was spent on family allowances, as at July 31, 1972?

The answer was:

2. 0.49 per cent.

Now, Mr. Speaker, the more people work, the more they develop the natural resources of this country, the more they increase their production capacity so as to enable families and individuals to live in greater comfort, the smaller the percentage of increases benefits granted to families.

Not later than yesterday I was saying that Canadian families, especially those in the province of Quebec, are in difficulties and that we were asking the government to provide a greater percentage for social benefits by increasing family incomes to enable them to cope with the cost of living increase.

Now, Mr. Speaker, social benefits allocated to families in 1947 amounted to 8.99 per cent of the budget and in 1973, to 2.48 per cent.

That is why I was greatly pleased yesterday to hear about the increase that is to be given in October, but as I was leaving the House, I had the honour of meeting the Minister of National Health and Welfare (Mr. Lalonde) and of talking for some time with him. He found the statement I made quite reasonable and I repeated to him what I asked during the month of July, although family allowances will be increased from September 1 in order to enable low and middle income families to benefit more from an income which would encourage them to fulfill their duties, to carry out their mission so that this decrease in births comes to an end in our province and our country.

On behalf of these people, I would like to ask the Parliament and the government to adopt this measure as quickly as possible and even if it costs a few millions more I would like to say that the Canadians have carried out a task which is extremely difficult. They turned the wealth of Canada into consumer products. The people did that. This makes the task easier for parliament and government members: we do not have to work to produce these things but we have the responsibility, the duty to work and enact legislation in order to ensure a just and fair distribution of

these things so that we are all certain that the weakest, the poorest in society gets enough income to live in quite normal conditions. Providence gives to man, man processes goods and the government must ensure their distribution. Some may disagree as to the means to be taken, but it is a fact that in the Canadian society the most practical means we have known up to now has been to have enough dollar to meet the requirements of modern life. Again, I want to assure the minister and the government of our fullest cooperation in having those measures passed as soon as possible. Thus, we could prove to the people of Canada that we are responsible members, that we are aware of the situation. By the way, we saw again earlier during the question period how parliamentarians are concerned about the problem of the rise in the cost of living.

We, Créditistes, propose as a solution to check the staggering rise in prices and salaries that our suggestion be at least given a trial, namely a compensated discount on Canadian prices, on Canadian production, a discount to be made available to consumers, as the right hon. Prime Minister (Mr. Trudeau) put it so well this afternoon when he explained in his reply to the leader of the Social Credit party of Canada (Mr. Caouette) that the discount should be passed on to the consumers. So there is only one more step to fuller understanding, that the government do not seek the money required to pay that discount through taxes in the pockets of the taxpayers who already do not have too much, but that it make a sensible use of the Bank of the people of Canada, the Bank of Canada, which has the same powers as any other bank to create credit, to create money.

Then, we would be sure of reaching the goal; consumers would be paying less and the levying of taxes would not contribute to price increases. Mr. Speaker, that is the real solution. Therefore, why not try it on a certain commodity, apply it temporarily or permanently, because I am convinced that after applying it to a certain commodity during a definite period, every Canadian will ask that it be continued, contrary to this policy of prices and salaries control which was applied in the United States with such disastrous results.

This is not the solution. The solution we suggest is the one I have just set forth, and I think it makes good sense if we want the Canadian economy to be brought back to health and to serve all Canadians without problem, to serve all families, so that we can live in a prosperous country with all the freedom we may wish for to and, at the same time, with all the security possible.

[*English*]

Mr. S. Victor Railton (Welland): Mr. Speaker, I welcome the opportunity to speak in this debate, having heard the Minister of National Health and Welfare (Mr. Lalonde) present a package which would bring about changes in two pieces of legislation, and work in escalation of benefits according to the consumer price index. I thought he made a very good case. I realize he had decided that it was about time someone on the government side pointed out the advanced policies that the government had introduced. He also showed the public the practical methods adopted by the government to look after their complaints and to come to their aid.

I was also in this chamber to hear the screams from the opposition parties. Each in turn claimed that the minister's proposal was its idea originally. And some claimed that the amount provided was too little. I can picture the scene when Gabriel sounds his horn, with St. Peter praising the Prime Minister (Mr. Trudeau) and the Minister of National Health and Welfare for this good bill, and in the background a noisy cacophony hollering, "We thought of it first."

The reason for parliament's recall to deal with the railway strike was quite logical. Everyone accepted without question that as the strike continued its effect grew greater. The distribution system and the economy of the country were sliding into chaos. But the accusations of the opposition that the strike would never have happened if the government had taken steps to control inflation were completely false. They indicated ignorance, or an attempt to mislead the public.

After the debate last week on the railway strike I was glad to note that all parties in the House had expressed some ideas about the legislation, so as to ensure fairness both to the unions and management, preserve job security, and at another time introduce the principle of indexing wages to the consumer price index. I believe that was a very definite gain.

In my opinion this present debate does not have quite the emergency flavour as that on the railway strike, mainly because I believe that restrictive measures taken to control prices often upset the balance of the economy and produce effects that are not visible at the time regulations are enacted.

● (1520)

This innovation of indexing is not new. In this parliament, however, it began with the veterans' pension, then was extended to the railway workers in our suggestions to the mediator, and it crops up again in the minister's bill. It is a fairly sensible attempt to help people on fixed incomes to combat the rise in prices.

One should then look at the inflation rate in Canada and conclude that it is as good as or lower than any other industrial nation in the world. This includes the U.S.A., the U.K. and the European Economic Community. In regard to food price rises, Canada is at least comparable to the U.S.A. and better in many ways; but since the rise is about 5 per cent or more, the government's intervention as outlined will give relief to the fixed income groups and dampen the speed of the rise.

What makes inflation so difficult to control are world shortages of protein foods both for humans and for slaughter animals. Moreover, there has been a big shift and change in diet everywhere. This began in Europe and has now shown up in Japan, China, India, Russia and Africa. Another point in this inflationary cycle is that the U.S.A. has a large domestic market and its proportion of food exports to its domestic market is smaller than Canada's.

There have been many examples in the recent past of the bad effects of freezes and attempted price controls. Mr. J. Kenneth Galbraith enunciated the economic truth that controls would never work if instituted at the time or in the face of shortages. Controls tend to reduce production and increase scarcity. One other factor in all this is that

people have lost confidence in paper money and ordinary securities and a great deal of private investment has shifted toward real estate. So not only do we have some shortage of money and lack of confidence in the financial markets, but there is less money available for risk and venture capital and new business.

Though we may talk about the causes of inflation and though we should try hard to combat it in every way we can, a very practical approach to the problem through the parliamentary processes would be to make sure that our social security legislation prevents hardship in the lower income groups. In spite of inflation, the majority of Canadians are prosperous and an hour of working time still buys more beef than an hour did ten years ago.

The Minister of National Health and Welfare (Mr. Lalonde) in April this year published a working paper which brought out certain basic values that our Canadian social assistance program should enunciate. First, Canadians should and probably do believe in the independence of the individual. Second, they believe in the responsibility of each person to his neighbour. Third, they believe that there should be equity and justice in the distribution of benefits in this prosperous society.

In other words, we must have independence but also interdependence. As far as possible, all citizens should enjoy good mental and physical health. In this regard we must never forget that good fortune in health is often due to nothing but good luck. In addition, one should consider how Canadians look at the idea of the work ethic. Typically, almost everyone enjoys working for his living, his family and his retirement, and with good grace gives a portion of his earnings to his less fortunate neighbours. We, as Canadians, feel that it is not just the lazy who should get a fair share of leisure. However, we as Canadians also feel that the powerful people in our society should only get their fair share of the increases in national income.

Canadians no longer condone nor admire the private accumulation of great amounts of wealth; nor do they like to see great disparities in income, no matter how menial or, on the other hand, how important a man's occupation may be. Just this morning a report from the board of directors of the Ontario Medical Association discussed this question of professional income. In the past ten years doctors have made money, but they work long hours and accept great responsibility. This will gradually be changed as we learn to cope. We now have very good reasons to apply these ideas and principles that I have enunciated to the present legislation. We can provide escalation to both the old age security and guaranteed income supplement according to the consumer price index.

The working paper of the minister which I mentioned earlier envisaged a joint review by the federal and provincial welfare ministers of the total Canadian social security system, to be completed in two years. It forecast implementation of an agreed upon policy within three to five years, this to be within existing tax levels and following the guidelines coming out of the conference. For instance, family allowances were to be increased by January 1, 1974, and Canada Pension Plan amendments would hopefully be fully escalated in relation to the consumer price index by 1975.

[Mr. Railton.]

A guaranteed annual income would eventually be available to those people whose earnings are insufficient because of inability to work, or to those people who are not expected to work, such as the retired, the disabled, the single parent families or the unemployables. The latter category results from such factors as age, lack of skills or length of time outside the labour market. This guaranteed annual income was envisaged as being paid in addition to the general income supplement.

These ideas are innovations, but it is obvious in our society that fit and combative people usually do well financially whereas the disabled, the unfit or the non-self-assertive people frequently suffer by comparison. In many primitive societies both in North America and Africa, though cruelties in wartime existed, the aged, the infants and the misfits usually received kindly treatment and a share of the tribal prosperity. They were also included as full members in these primitive societies' activities and consequently had a feeling of belonging.

This act is the beginning of a new recognition of an old fact—the need to supply one section of the community, the elders, with at least a minimal or sustenance level of income. The new act simply changes the old as regards escalation of payments. It brings in quarterly increases related to the consumer price index both on the old age security cheque and the guaranteed income supplement. It does this for both single and married recipients. It does not provide a guaranteed annual income, as it might hope to do in the next five to ten years, at what I would call a dignity level, but it does at least ensure that the old age pension cheque and the guaranteed income supplement will increase quarterly with the consumer price index.

In conclusion, Mr. Speaker, present inflationary trends may continue despite attempts to turn the tide and all attempts of the opposition to help the government—and I say that advisedly—to provide good legislation to do so. However, since the Canadian economy appears to remain buoyant we can afford this scheme. It will cost us a great deal, but this in turn may dampen the economy's boom. Finally, we must not forget that the next logical step in the future will be to consider the necessity for legislating a guaranteed annual income. Who thought of that first?

I would just like to say, since I have had my chance to speak, that it is my feeling that this debate could soon be brought to a close and the matter sent to the committee of the whole.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like, if I may, to comment briefly on Bill C-219, which is in my opinion well adapted to the present circumstances. We must readjust old age pensions to take into account the increases of recent months in the cost of living. I have listened to several comments since yesterday and, of course, it seems that all parties are generally in favour of this legislation tabled yesterday by the minister. I for one will certainly not hesitate to support this legislation which corrects the difficulties with which senior citizens have been to grips for some time.

I have also listened to certain suggestions that the amounts which should be allowed to senior citizens could be higher than those presently awarded. I believe it is not

an exaggeration to suggest the payment of a minimum of $200 per person, considering the cost of living at the present time.

Now, I would like to remind the minister, who is now in the House, of the importance of considering—which I would have liked to see—whether it would be possible under this bill to extend the OAS to the spouse who has not yet reached 65.

It is absolutely impossible for couples to make ends meet when only one spouse receives benefits.

I suggest that it is normal that, like all other hon. members, I remind once again the minister of the importance of establishing, in the near future, I hope, the possibility of allowing a couple to benefit from the maximum of $340, and I hope that amendments will be made and increases will be granted rather shortly so that those individuals may enjoy proper assistance based on the cost of living.

I would have hoped indeed that the minister would take that opportunity to introduce a bill lowering the age of eligibility for a pension. I wish to say that I will readily support that bill bringing A certain remedy for our senior citizens, but I would like to remind the minister once again—and I think that it is my duty to do so—that judging from the comments made to us as members, every Canadian is in favour of that. I say it again, I have already made a survey on the possibility of reducing the eligible age to 60 and 99 per cent of the thousands of answers I received were of course in favour of such a possibility.

I feel that, as representatives of the people, we must assess technical changes in industry over the last few years. We will realize that, physically, it is absolutely necessary to lower to 60 the age of eligibility for the old age security pension. Is it too much to ask that the minister in charge at least consider the possibility of doing so? Of course, some people, whose work is lighter, wish to work until they are 65. On the other hand, we know thaat in some industries where the work is more demanding, several workers would like to be able to get the old age security pension at 60.

We also know that we would thus also improve the social atmosphere. We would make way for younger people and industry would not complain about rejuvenating its labour force. Due to collective bargaining, it is difficult to remove some of these people today; as a matter of fact, in some industries it is impossible to do so.

Therefore, I think that on account of a lack of work, we are now discouraging young people who are now more learned, better informed. I believe we ought to consider the possibility of granting old security to people 60 years old, at least to those who want it. It is right to say, I think, that we have the responsibility of giving a rest to those who deserve it. After working for forty years, a person who reaches 60 deserves, I think, to retire. This should incite hon. members to favour granting old age security in earlier years.

It seems to me the minister had already shown his interest in this proposal. A few months ago, he said in this House he was giving his word he would take up the matter with the provinces. I hope that negotiations to this effect are already under way. Indeed I hope and believe that the Canadian people—in my own riding, the opinion strongly favours this suggestion—would be eager to avail itself of this possibility with all its interesting consequences. This would certainly improve the social climate and I think Parliament should seriously investigate this matter.

The proposition as made is an acceptable corrective, in view of the recently experienced increases, but I feel it is inadequate in comparison with the needs and the changes which workers in industry have known. As evidence of this, I say that in a paper plant which I know quite well, a machine which ran at 300 rpm never rushed its operator nor compelled him to run to do his job. Today, because of the changes, this same machine drives the paper at a rate of 3,000 feet per minute and this forces the worker, even if he is more than 60 years old, to run to do his job properly. This example proves the importance of considering the changes that are happening in industry and the benefits that they may bring.

I therefore believe that the minister is aware of this question today. I urge the government to consider this possibility in the interest of those who are already 60 years old. In view of the present context, I know that the opposition parties could well have a tendency to force the government to take such action. In fact, several hon. members have often stated that they are in favour of such action.

We have heard some members of the Progressive Conservative Party promote a reduction in the pensionable age. I know that the New Democratic Party has long been in favour of a rejuvenation of this legislation. I also know that the members of the Social Credit Party are in favour of this measure. Should I ask all opposition parties to unite and force the government to take this action? We know that we are numerous enough to do this. Of course, you may well tell me that we would have to pay the price for it.

I would like also that we assess the possible savings if, on the one hand, we should grant holidays to thousands of people and, on the other hand, we should found work for thousands of unemployed; I would also like to know what is the cost to society of those unemployed and of the difficulties facing the people nowadays.

I think we could make there important savings which could be very beneficial. In doing so we would, I think, correct and improve a social climate which demands it.

I would like to confine myself to these few remarks. We could make speeches like others did, express many views about the importance of corrective measures needed to check rising prices but I think I must confine myself to this because there will be other opportunities to discuss other issues, other problems or difficulties facing society but I hope that through the plea I make to the Minister first on the possibility to grant the old age security pension at 60 without disregarding the legislation which I find just and equitable with the necessary adjustment, we will succeed in bringing justice to the people and seriously correcting the problems facing us if we lower the eligibility age for old age pensioners for all interested people, all these changes being taken into account.

I hope that the Minister will not wait for the opposition parties that speak loud outside this Parliament and that,

occasionally, seem reluctant to vote or to force the government to act in this way. Just two months ago I had the opportunity to move an amendment in this direction but unfortunately in spite of the encouraging words from members of the opposition spoken outside this House I found that they voted unanimously against my amendment.

Then I hope Mr. Speaker that they will be more honest and that if they are in favour of granting the old age security at 60 they will not hesitate to so inform the Parliament. It is certainly not enough to speak about it, we must act. If men are judged from what they do rather than from what they say I hope that what they say outside this House will be implemented within.

I hope that the Minister will take kindly to my appeal before the opposition forces him to act in that way. Society as a whole will take into account, I think, a piece of legislation which could prove so beneficial and we shall really bring in the relief which people so badly need.

I hope that these few comments will make the minister more aware of such a measure and I would be very happy for all those who could profit by it.

● (1540)

[*English*]

Mr. Lalonde: Question.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I am a little surprised at the minister shouting "question". Yesterday he took a half hour or more to explain this legislation, which needed no explaining because it is simplicity itself. It does not do anything. When it was asked for last March, the minister could not introduce it. Now, however, it is possible.

I compliment the minister. He has not lost any of his skill for touching up things. When he was on this side, he did a good job of touching up things for the people with whom he was associated. He has not lost his skill. He now has a bigger job to do, and a tough one.

Something should be added to this bill. It does not say anything and does not do anything. You pay your income tax quarterly. What a big deal for the old age pensioner to get his cost of living increase quarterly. Is this again to mislead the old age pensioners into thinking we are doing something for them? We should be increasing the basic old age pension so they can get ahead a little instead of behind.

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

Mr. Rynard: I want to make some suggestions; I hope the minister will take kindly to them. When answering a question today about care for the aging, the disabled and so forth, the minister used the same skill. He should be named "old man tomorrow", the way he gets around questions in the House of Commons and does nothing. That is a good title. Someone once named Sir John A. Macdonald "old man tomorrow", but he did something. Maybe that is how the name came about originally. Because he weighed everything in the balance, and acted.

The minister has a nice smile. I like him. However, I want to say to the minister that the light is always in the window calling sinners to repentance. The minister always has the opportunity to repent.

I say in all seriousness that the eligibility age for old age pension should be lowered to 60 for all those medically unfit to carry on their jobs full time. Putting it another way, this means all those 65 or more in calendar years. We always use calendar years to determine when people should be laid off, not physical years. It should be physical years, not calendar years.

Plant doctors and others should indicate those who should be considered. This could be confirmed by an application form for the pension on physical grounds, either from their own doctor or a specialist, if necessary.

I remember when the hon. member for Oxford (Mr. Nesbitt) raised this matter with regard to the Canada Pension Plan. Unless one's disability is very severe, it is almost impossible to get a pension. No one knows this better than the minister. A person might be completely disabled as far as remunerative work is concerned and still not qualify for a disability pension. If a person is in a wheelchair, he can qualify. Some illnesses are not that obvious.

Whenever there is evidence that a man is physically or mentally unable to join the work force, he should automatically receive a pension, whether it is the old age pension or a disability pension. The old age pension would be the simpler to institute. Even though a man is unable to work, it is sometimes difficult to prove that he is totally disabled. The minister has completely forgotten this man, or has he? I sometimes wonder whether he glosses over legislation just to meet the requirements of the side on which he sits.

The minister has forgotten that a great number of people live in the grey area, just on the brink or slightly above qualifying for the supplement. They are entirely forgotten. They are the victims of a hard earned dollar turned into a soft dollar by an inflationary spending government.

The minister was critical of what the Tories have done. He put on record that he was once a Tory. He forgets that he joined the Liberals about the time the inflationary spiral began. It was this inflationary spiral that necessitated increasing the pensions. The other day the minister even claimed credit for those increases.

I notice the minister is taking in all this. He carefully avoided mentioning the "six buck boys" because he was riding on the other side of the fence at that time. He forgot about the great philanthropists of the Liberal party in the 1950's.

There were other sins of omission and commission. In 1936, Prime Minister King issued perpetual bonds at 3 per cent after lowering the bank interest so that even 3 per cent would make them mighty attractive. It was understood they would be redeemed before the coupons ran out, or at least when they ran out. This Liberal government said "No dice, we won't pay you" and issued more. Some of those people are the same people who bought bonds and today are being denied justice.

In answer to a question today, the Minister of Finance (Mr. Turner) said the government does not yet have an answer to this question. He should also be called "old man

tomorrow". What is the government going to do for these people?

I want to quote a case of a man who is now in the grey area about which I have been talking. He cannot qualify for a supplement. He has a few perpetual bonds. At the time he purchased the bonds, he was earning $24 a week, a good salary in those days. He worked six days a week. Today, his weekly salary of $24 would be less than a day's pay, yet the government has the gall to try and redeem these bonds at 39 cents on the dollar. What will 39 cents buy with today's soft money? If the minister will figure it out, he will see that it will purchase less than 15 per cent in housing and food. This is how the senior citizens have been treated over the years. Is it any wonder many of them sit in solitude wondering about the next handout, the misery, and what they will have to do without until the next handout comes along.

The minister boasts about increasing the single pension from $170 to $178.16 and from $324.60 to $341.80 for a married couple. However, he forgets that a bachelor apartment costs $125 per month or more. This leaves a little over $50 per month for boots, clothes and food. The minister also conveniently forgets—and I receive many letters on this point—that in the case of couples when one or the other dies, more often the man first the $324.60, now promised to be $341.80, scant enough to pay apartment rent of $150, leaving $175 for food, clothes—and so on is reduced and whoever is left finds himself in dire straits with just $28 a month for food, clothes and accessories. This is a sad hour for reflection by many who made this country, and made it work with toil, sweat and tears. I should like to ask the minister why he did not do something about this basic problem. These people have to break up their little homes and try to get a one-room establishment in order to cut down on rent and make ends meet. Nothing whatever has been done for these people.

● (1550)

How about the chronically ill people—I have asked this question before—on old age pensions who are trying to live out a daily existence, unwell and needing a little more help because of chronic illness? They are kept surviving at home out of the hospital. The cost of medication is expensive for everyone, but it is doubly expensive for those on low incomes. I should like to ask the minister what in the world he was thinking when he allowed these people to be entirely neglected, as he has over the years since medicare was brought in. The minister knows as well as I that Mr. Justice Hall in his report on medicare recommended that pharmicare services should be included. This has never been done.

This government brought in medicare but nothing has been done for the old age pensioners who are chronically ill, living out of the hospital and not able to buy the drugs they require to continue living out. I suggest that it is penny wise and pound foolish the way national medicare is operated across Canada today. If the minister would sit on a commission to investigate how medicare is operating he would soon find that out for himself.

No consideration has been given to those who are ill and need lifesaving medication. The minister knows as well as I that at age 60 you have four times the amount of illness and hospitalization than you have at age 40. Surely this is a burning question that requires consideration on his part.

This government reminds me of those people who drop dimes in the beggar's cup as they pass by. They do this through compassion but they do not think about the problems of the beggar. Basically the minister has done little or nothing for the old age pensioner who is surely entitled to have his pension adjusted to the increase in the cost of living every three months. As a matter of fact, many taxpayers are required to pay their taxes as I stated earlier to the revenue department on a quarterly basis.

This bill is an empty shell. The minister years ago should have given the old age pensioner enough to live on by raising the basic pension to meet the inflationary dollar situation. The basic old age pension should be at least sufficient to provide housing. With the inflation which has existed for the last 10 years under Liberal government the majority of old age pensioners have been left with less than enough on which to exist. At this time only 40 per cent of those over 65 years of age do not receive the supplement, and about half of those in the 40 per cent group have to scrimp and suffer untold hardship to make ends meet. This is why the basic old age pension should be raised and why drugs should be covered under drugcare, or at least those on doctors' prescriptions. What has been done is a little whitewash job to cover the sins of omission in respect of the treatment of old age pensioners.

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, while I was listening to the hon. member who has just completed his speech I found running through my mind the words of one of the hymns of my childhood. I think they describe very well our view of this legislation. The words are:

Showers of blessing,
Showers of blessing we need,
Mercy drops 'round us are falling,

But for the showers we plead.

We get mercy drops from this government, and this legislation is one of those mercy drops for the elderly people of this country. But what we need are showers, or even a first-class thunderstorm, when it comes to providing security for the elderly people. Of course, we welcome these mercy drops, but they are not adequate in themselves to provide security in this day of increasing prices and living costs.

Yesterday my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), pointed out that the old age security pension has never been raised except in response to pressures of various kinds. As a matter of fact it was pressure at the beginning that brought old age pensions into being, pressure which finally became overwhelming throughout the country. I well remember the fact that young families frequently had to take their parents to court and have the court declare that they were unable economically to support their elderly parents before they could get any form of relief. It was that type of thing at the end of the First World War that finally resulted in the first old age pension legislation. Ever since that time we have had a stiff and bitter fight for every single improvement. The pressure has been economic and political, and has been brought to bear by groups of various kinds. I

should like to give special mention to one particular group, the old age pensioners themselves. They have exerted increasing pressure.

The elderly people of this country have a great deal of credit coming for the way in which they have organized, first on a local basis, then provincially, and finally in national combinations of various kinds. They have not only managed to make their own ranks strong; they have gained little by little the support and the respect of other segments of the community. You cannot confer dignity upon anyone. But the elderly people of this country have earned the right to dignity as a result of their own abilities and successes in helping themselves and getting the rest of the community to help them. I believe that fact should be mentioned.

The hon. member for Winnipeg North Centre also dealt with the various increases to the old age pension. He went over each of the increases, and when you consider the different amounts you realize they do not seem to have any practical relevance either to each other or to conditions that existed at the time. They seem to be calculated on the basis of whatever was felt was the least the government could get away with at a given time.

Every little increase in old age pensions over the years has been prised out of reluctant governments of one sort or another in much the same way as the elderly people as pioneers prised out the rocks and the stumps from this country. All their lives they have done their utmost through backbreaking work, with little time or opportunity to provide security for their old age. Now when they get to their elderly years they have to join the ranks of those who have prised, shoved, pushed and pressed reluctant governments to raise little by little the amount they have to live on to the end of their days. We are still at that stage as far as the elderly people are concerned.

The elderly people are not the only ones in that category, but I am dealing with them in particular in view of the legislation now before us. We have had a very difficult and unremitting struggle to get old age pensions to the point they have now reached. Old age pensions have grown in shreds and patches like a crazy quilt, with little bits from here and yonder. Little attention has been given in the past to whether this quilt would cover a person let alone the bed, giving him or her a reasonably comfortable place in which to rest.

● (1600)

We no longer are satisfied with that. Not that some of us have ever been satisfied with it. We believe that up to this point the old age security pension has never been based on what it should have been based; that is, on how much it costs to live at the time the pension is set, how much it costs for food, clothing, shelter, travel and the amenities which go with full living. This is how the old age security pension should be calculated. We say that now is a good time for this government to try to have this principle as the first properly based edifice in its pension structure. Because pensions ought to be calculated on what will provide a decent and full standard of living for the people involved. This minister has shown some vision and some capacity for seeing around the general pension field. However, I realize he has backslid a bit; with the crowd around him he is in a backsliding environment.

[Mrs. MacInnis (Vancouver Kingsway).]

If this minister has been backsliding somewhat it is because he has had some assistance from pulling hands around him. Yet the minister has shown vision in respect of what can be done in the field of social security legislation. I think probably he is the first minister I have known in his portfolio who has had sense enough to go to the provinces on the matter of family allowances while the amounts and conditions were still fluid. He has asked them what they thought about the tentative study that has been made. He has suggested that they talk about it and see if there can be some agreement. I remember when other ministers went to the provinces with a scheme already established, and with a father-knows-best attitude said, "Take it or leave it". Frequently they left it because it did not suit their particular conditions.

This minister has now brought forward a family allowances scheme which really fits the whole country for the first time in an adequate way. This is a tribute to the minister. I should like to appeal to him now to see if he can do the same thing in trying to be the architect of an old age security scheme that would get away from bits and pieces and shreds and patches. I hope that he will find a way to give all elderly people a fair and just scheme in the light of what it costs to live. I realize that bits and pieces are being put in all the time, but they are still inadequate amounts. The amount of the basic pension is the biggest single difficulty. At the federal convention of our party this summer we came to the conclusion that a basic adequate old age pension, with today's living costs and standards, could not be less than $200. Last year we advocated $150, but that was before inflation really went past the moderate stage into the galloping stage. I do not believe an amount of $200 is too much for today's living conditions.

There is another point. We want also to see put in this new scheme the idea of pensions being made available, not compulsorily, at age 60. If these people were withdrawn from the labour market I think it would give a push to the young people who want a chance to get started in life and have difficulty finding an opportunity. The elderly people dare not let go today, because if they have a job it is their only way of existing until age 65. If it were possible for them to stop work at age 60 and receive their pension this would be very beneficial for those people who have the ailments of heart and body many people have between the ages of 60 and 65. Some of these people are no longer physically or emotionally capable of holding down a job. I think this point should be covered.

Yesterday one of my colleagues in the Social Credit Party again brought up another very important point. I hope the minister will see his way clear to consider these elderly people who are living two to a pension. In a great many cases across this country frequently the husband, because he is a little older, is qualified for the pension while the wife who has never worked outside her home is not. Their family has grown up and there is no other means of living for that couple other than the one pension the husband receives. There is no point in the woman, at that age, going out to look for work because it is non-existent. Even if she did go out to work her elderly husband would be left alone. That woman is doing a tremendous

service. She is looking after her husband in the way of providing meals and the other services the wife ordinarily takes care of. However, in many cases she also performs the medical services he needs. She acts as a nurse and supervisor in respect of a whole host of things which otherwise the state would be compelled to provide.

Such a woman should be paid for the type of services she performs. If she were not there society would have to pay for people to do the work she is doing. The very least we could do is to see that there is a pension for her as well as for her husband, regardless of the fact that she is still under the eligible age. I hope we can do this.

I detected on the faces of some people yesterday, when my colleague was pointing out that the amount of the pension should now be $200, a few incredulous smiles and some looks of complete despair. They seemed to be asking where this is going to end. At the present time there can be no end because we are just carrying out an exercise of pouring water through a sieve. We raise the pensions of elderly people, we raise the pensions of the veterans, and we have a bill to raise the pensions of some public servants. Many other changes come along and all the time we are pouring water through a sieve, because by the time the old age pensioner receives the envelope containing his first pension adjustment, which will come in October, the people in the supermarkets, the landlords and the other forces in the community who have the means of life at their command will take away that increase from the older people.

This is the way it is all along the line. I believe it is high time that we faced up to the fact that there is not very much use in giving all these pension increases if as soon as we give them they are taken away. We are now making provision for the subsidization of bread and milk, and there is some moral suasion to have the price of furnace oil kept within bounds. I suggest, however, that these things are not enough. I have heard across this country—and not only in socialist or NDP circles—a growing clamour that those items of food which relate to nutrition and diet ought to be taken out of the profit distributive system.

● (1610)

I am beginning to hear this, not only on hot lines but in serious discussions on the radio and on television. After all, we will have to come to it some day. We came to it years ago in the matter of water. Water is one of the essentials of life and yet none of us worry or lie awake at night tossing in our beds for fear the price of water will go up tomorrow or for fear that one of the firms handling water will beat the others to the punch, raise the price and make the others raise their price too. None of us worries for fear water will become adulterated. We worry plenty about pollution, but that is another matter. None of us fears that additives will be put into the water to make it look more attractive or to make it sell better so that some particular firm can get ahead. It is this kind of nonsense that is wrecking our attempt to provide security through pensions, this kind of nonsense applied to essential foods.

Bread, butter, milk and protein foods such as meat, cheese, eggs and fish are foods which today are being gambled with, just the way people gamble on horses at the exhibition. I tell you frankly that until we as members of parliament start to grapple with the problem of how we can take away these main elements of food from the people who gamble with them—and they are gambled with from the beginning of the food chain, the time when the freight people first get the foods until they reach the supermarket—we will find that our efforts in helping to provide security for the senior citizens and other people will be frustrated. We must find ways and means of achieving a solution to that.

I have been to the supermarkets more frequently in the last while and have found that they have become places of tragedy. I have watched elderly people and harrassed mothers with two or three children clinging to the buggy and following her as she went around the supermarket. I have watched the hopeful expressions on their faces. They do not look at T-bone steaks and other expensive cuts of meat. They look at hamburger, weiners and other small amounts of meat while their faces become longer and longer and they become more desperate, realizing that they can no longer afford those things which are essential and always have been essential.

Until we can provide enough elements of a good core diet for the old people and for families with small children, people on low incomes, we will not be able to resolve this situation and provide the necessary security for older people and in fact for people of any age. I want to say that this is part of the whole problem of social security in this country. That is why I bring it here, without apologies, when speaking on this bill, because it is closely related to it.

This bill will provide a certain increase for older people. The increase is small enough but there are quarterly upward revisions. To be able to keep those upward revisions we must adopt measures in other areas. Let us consider the matter of rents. I wish we could find somebody, perhaps another minister or perhaps even the same minister, who could talk to the relevant ministers in the provinces. In this case it should be the Minister of State for Urban Affairs (Mr. Basford), but so far he has not shown much realization of the fact that people on low incomes or even lower middle incomes simply cannot afford either to buy or rent housing at today's prices. What must be done is for a minister of this government to discuss with the provinces the matter of pulling housing costs into an acceptable price range and holding them there. I think we will have to tackle the important matter of rents. Leadership must begin from here. The provinces have already said—and I have not heard it mentioned here too often—that they are willing to co-operate in the putting into effect of any measures that this government can devise for coping with inflation. I think it is high time that the federal government devised some measure to look after the housing needs of Canadians and to keep the whole price range of new homes within the purchasing power of the middle and lower income people. This cannot be done without lowering interest charges for buyers and without assisting the provinces to work out workable rental legislation which will hold the rents steady.

Mention was made by the hon. member for Simcoe North (Mr. Rynard) of the need to provide free drugs for elderly people under medicare. I will do a little trumpet blowing for a few minutes. Some of you may not have

realized that British Columbia now has an NDP government which has announced that they are initiating a program to provide prescription drugs for everyone over the age of 65 without charge. I think the hon. member for Simcoe North would be well advised to urge the Minister of National Health and Welfare (Mr. Lalonde) to go to British Columbia to watch that pilot plan in action and then to bring under medicare the sort of scheme that we will put into effect in British Columbia before long.

We must not forget that it was the NDP government in Saskatchewan which supplied the model for medicare and the NDP governments in both Saskatchewan and Manitoba which supplied the model for no-fault car insurance, a system which has been a blessing there and will be a blessing in British Columbia as soon as it is adopted. I suggest that there are places where any federal government could look for a model for ways of protecting people and providing them with social security.

I want to say again that we welcome this legislation. As I said, it is certainly only a drop or two in the bucket, but every drop is welcome so far as we are concerned. It is one more small indication that slowly but surely the notion in this country is beginning to prevail that if we want to create a civilized or even a workable society—remember that this one is not working or we would not have the situation we face—we must have a new motive force behind government, and that motive force must be the meeting of human need rather than the protection of human greed. What this government and others before it have been trying to do for many years is to protect human greed in various ways by looking after the interests of special groups, groups which are privileged at the expense of others who are deprived of what is theirs rightfully. We want to change that. We are at a stage now where never was so much suffered by so many for the advantage of so few. This is one small indication that the government will try to provide a basic pension for elderly people which is worthy of Canada.

● (1620)

Mr. H. G. Herbert (Vaudreuil): Mr. Speaker, one of the key measures in the list of steps the government is taking to counteract the effect of rising prices on consumers is a more rapid increase in old age pensions. This House is being asked to approve an amendment to the Old Age Security Act to provide for quarterly rather than annual escalation. This will mean that instead of waiting until next April for increased pensions the 1.8 million people receiving old age security pensions will get a partial increase for October. If prices continue to rise in the next three months they will get another increase in January.

Since last October average price levels have increased by 5.3 per cent over the previous ten month period. As a result the basic old age security pension would be raised to $105.30 effective October, 1973. Price increases in August, September and October of this year would be reflected in the OAS pension rate for January. Price increases in the period November to January would be reflected in the April pension rates, and so on for each quarter. In this way pensions will become much more responsive to recent price increases.

[Mrs. MacInnis (Vancouver Kingsway).]

The guaranteed income supplement will also be increased for October, and each quarter after that if price levels continue to rise. A single person getting the full supplement to the old age pension can expect to get $179.16 for October in place of the $170.14 he receives for September. A married couple, both getting full GIS and OAS, will find their $324.60 monthly payment increased to $341.80 for October.

The old age security pension, with an eligible age of 65, is a monthly benefit paid to all people who quality on the basis of both age and residence in Canada. These are the only requirements. Canadian citizenship is not necessary. An applicant must prove his age. However, if necessary, help in obtaining proof of age will be given by the old age security office.

A person may qualify for pension if he or she has resided in Canada, after reaching the age of 18, for periods which total at least 40 years, or has resided in Canada for the ten years immediately before approval of the application, or has been present in Canada, after reaching age 18 and prior to the ten years mentioned above, for periods which equal, when totalled, at least three times the length of his or her absences during the ten year period, and has resided in Canada for at least one year immediately preceeding the approval of the application.

Some types of absences from Canada during the qualifying periods under certain circumstances may be considered not to interrupt residence in Canada.

A person should apply six months before reaching pensionable age. This allows time for proof of age to be obtained, if necessary, and for the history of residence to be confirmed.

Payment of pension normally begins in the month following that in which a person reaches the eligible age. If a person is late in applying he or she can be paid retroactively for up to one year.

If through infirmity, illness, insanity or any other cause a pensioner is considered to be incapable of managing his own affairs, the pension may be paid to any person or agency appointed by the regional director to act on the pensioner's behalf. Such a person or agency is required to account to the regional director annually, and at the end of the appointment, for money received and spent.

An old age security pensioner may receive a guaranteed income supplement if he or she has no income other than the pension, or only a small amount. An application for the guaranteed income supplement is sent to each old age security pensioner around the time application for pension is approved. Accompanying the application is a booklet giving details of the plan and a guide to help in completing the application form.

Anything considered as income for income tax purposes is counted as income for the purpose of the guaranteed income supplement, even if the amount is not large enough to require payment of income tax or even if one did not file an income tax return.

Income does not include possessions, savings, investments, or a home or property that one may own; nor does it include for purposes of the guaranteed income supplement the old age security pension itself. Income is any

money one receives in the form of retirement pensions, earnings, interest, dividends, rents, etc.

A review of the history of universal old age security and guaranteed income supplement payments indicates that universal old age security payment replaced needs-tested payment. The guaranteed income supplement has been introduced. The escalation formula has been introduced for the OAS and GIS. A special GIS rate for married couples has been introduced, and full cost of living escalation has been introduced for OAS and GIS, with henceforth quarterly escalation.

It is interesting to note that over 1,800,000 persons are presently receiving old age security payments in Canada. Of this total 576,000 receive partial benefits under the guaranteed income supplement plan, and some 478,000 receive the full benefit of the guaranteed income supplement.

The cost to the taxpayer of old age security in the year 1972-73 is $1,786 million, and the guaranteed income supplement adds another $739 million, for a total of over $2½ billion. In 1973-74 the estimate for old age security is $2,203 million, and for the guaranteed income supplement $750 million, making a total of almost $3 billion. This represents something like 15 per cent of the total federal tax load, and if related to personal income is something in the order of 50 cents on every dollar of federal personal income tax.

Not only has the government given Canadian senior citizens improved financial security through the most generous old age security plan in the world, both in terms of benefits and eligibility, but the energy and creativity of so many of our older people are also being rewarded through the New Horizons program which is administered by the Department of National Health and Welfare.

It has met with overwhelming acceptance by retired citizens as a means of helping themselves remain active in our country's activities and provide a service for their peers who for some reason are cut off from the mainstream of Canadian life. By the end of this month the program will have provided funds totalling more than $7 million for just over 1,100 projects in its ten months of operation, and by the end of this year we can expect to have added to that a further $2.3 million in funding.

This, Mr. Speaker, will be the second time this year that the government has increased the old age security pension. Last April it was raised to $100 a month from its previous level of $82.88. In May of 1972 the 2 per cent ceiling on escalation was removed, and full automatic escalation was extended to both the guaranteed income supplement and the old age security pension.

In the period since 1967 when the GIS was first paid the combined pension has risen from $105 to $179.16 for a single person, or from $210 to $341.80 for a married pensioner couple.

I am disappointed that the parties in this House were not able to reach agreement on an early termination of this debate. Mr. Speaker, we believe that Bill C-219 deserves and, it is to be hoped, will soon receive unanimous support.

Old Age Security

● (1630)

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, without any personal preliminary comments, I would like to offer my most sincere contribution to the fight against inflation, unemployment and poverty, in the present and normal framework of our monetary, economic and political systems of free enterprise as they exist and operate today in Canada.

I will give immediately the basic principle underlining the global view I want to give of the present situation of our national economy in 1973 and of a slightly different way of checking the economic, national, personal, familial or social imbalance which affects all of us through the well known problems of inflation, unemployment and poverty. This basic principle is as follows: the same monetary, economic and political systems which make possible such a magnificent national production of over $114 billion in 1973, that is an average of $5,000 per citizen, or $25,000 per family of 5 persons, could also allow us to legislate in such a way as to distribute in a more adequate fashion these resources amongst the persons, the families and the business enterprises which make up our country.

This basic principle is translated into a practical technique, in a recognized down to earth formula which is called "merchandizing". All businessmen, producers, real producers, produce not for production sake but for consumption, for the distribution of their production, for the needs of their customers capable of paying the going price. With this basic principle, this practical technique there is every chance to attain the goals chosen instead of letting ourselves be carried by chance, tradition, conservatism, superficial, patchwork, slap-dash methods inpired by intellectual or mental anemia. Having clarified the basic principle and practical technique which guide me, I trust my explanation will serve as a basis in judging the relative value of my way of understanding and remedying the present economic situation, and that of the government as expressed by the right hon. Prime Minister (Mr. Trudeau) and contained in the bills now being put before us supposedly to check inflation.

Please note, however, that according to me it is not enough to check inflation, unemployment and poverty; we must, above all, correct the situation and restore permanently the national economic balance between individuals, families and business enterprises of all sorts.

The national economic imbalance of inflation, unemployment and poverty which affect all strata of society is not the result of chance, but that of the legislative measures passed by the 264 Canadian ministers and members of Parliament elected by the people. They alone have the right to vote in Parliament for the passage of bills on the distribution of income and taxes among individuals, families and business enterprises.

If production in Canada, in 1973, reaches $114 billion or $5,000 per capita, Canada will rank amongst the richest nations in the world. We can see that all our economic ills are but the result of a poor distribution of the extraordinary production amongst all Canadians, each one of whom has the right to live.

Old Age Security

Providence has placed an over abundance of all things in nature. There is always too much for all and enough for everyone. Nature lacks nothing, but its managers are remiss in the distribution of its wealth.

All 264 federal ministers and members of Parliament are Canadian consumers. All presidents, directors and managers of our larger private and public corporations are also Canadian consumers and depend on the 22 million Canadian consumers who need a 1973 purchasing power to live in 1973.

The input of capital, international trade, and multinational companies contribute to our national production in 1973. All those factors are subject to and governed by Canadian legislation in 1973.

The 264 federal ministers and members can immediately transfer $18 billion of eager capitalization to a lagging consumption within our monetary, economic, political, regular, capitalist, and conventional systems of free enterprise.

It is through legislative action that our governments have fostered poverty, unemployment and inflation. It is through reverse legislative action that our governments will restore the national economic balance for all Canadians.

The 264 ministers and members of the Parliament of Canada, elected by all the people of Canada, can immediately transfer, if they want to, $18 billion from the ambitious capitalization to the deficient consumption out of the 1973 production, and that's that.

These $18 billion will be drawn solely from concrete reserves, discretely or secretly constituted by multi-millionaire or billionaire companies, thanks to tax exemptions, excessive safety reserves or unjustified depreciations. Understand if you will, but all the harm comes from there.

Without any tax increase, without any price increase, our present 264 ministers and members will be able to reduce the income tax of the nine million Canadian producers, for their work or their capital, and pay to the 13 million dependent Canadians, without work or capital, a vital personal minimum in every household, lodging, home or slum in Canada, in 1973.

All 22 million Canadian consumers will thus find themselves revalorized by this tremendous increase of their purchasing power, for themselves or their families, regenerated by a more complete participation in the national production, and all the 264 ministers and members will have fulfilled their role which is to see economic justice prevail in a just society.

● (1640)

All 9 million Canadian producers would have their taxes abated by roughly 40 per cent. They would pay $3 instead of $5, $300 instead of $500, $3,000 instead of $5,000, and all 13 million dependent Canadians in every house, housing unit, residence or slum in Canada would receive their guaranteed personal income in accordance with the following table:

1. $30 a month per citizen between the ages of 0 and 9;

2. $60 a month per citizen between the ages of 10 and 17;

[Mr. Allard.]

3. $90 a month per citizen between the ages of 18 and 59;

4. $200 a month per citizen 60 years of age and over.

However simplified this program might seem at first glance, a serious analysis will prove that it could replace to advantage the many present allowance, grant and pension programs which are not satisfactory and require too many useless inquiries and requests.

Any citizen earning less than $50 a week or $2600 a year may be considered as a dependent citizen and claim that amount.

Nine million Canadian producers derive income from salaries or interest on their capital and pay the required taxes; 13 million dependent Canadians without work or capital have a right to live and claim their guaranteed vital right or guaranteed personal income; 22 million Canadian consumers thus become economically more valuable in the eyes of the state, society, and all their fellow-citizens.

Mr. Speaker, let hon. members and ministers be optimistic and practical in view of the great national output produced by 9 million working Canadians. It is possible to meet the needs of 22 million Canadian consumers, including the 13 million dependent Canadians who are entitled to that production according to a distribution determined by the government.

Mr. Speaker, inflation, unemployment and poverty are the three main symptoms of the national economic imbalance which still plagues all Canadian people, from the top to the bottom of the economic and social scale.

Only if the national economic balance is restored among individuals, families and companies will poverty, unemployment and inflation disappear from our midst. Only the government of Canada has the power to restore as soon as possible and maintain afterwards the national economic balance that would remove poverty, unemployment and inflation, for the benefit of all Canadian citizens and that, in 1973. All that is needed is to so decide before God and before men.

No high official, or academic, or professional body, or union or national or provincial economic council, no religious group, catholic, protestant or other, no nationality, English, French or other, no political party, or election fund, no bank manager or company president or director has the right to pass legislation in the Parliament of Canada. Only the 264 members, elected by the Canadian people, have the right to vote in the Canadian Parliament on behalf of the 22 million citizens of Canada.

Therefore, it is now, in 1973, that the present problems must be solved. The same constitution, the same Confederation, the same financial, economic and political mechanisms that provide the Canadian people with the tremendous national product of $114 billion, can thus enable us to ensure a fairer distribution among the 22 million Canadian citizens who live in the 6 million houses, residences or slums across our beautiful Canada. The 264 Canadian members of Parliament, the 30 ministers, the Prime Minister, and especially the Minister of Finance as well as the Minister of National Health and Welfare, with the minister responsible for the Treasury Board and the three leaders of the opposition parties are the only Canadians responsible for restoring the national economic balance

among individuals, families and companies within the Canadian economy in 1973, in our present government.

Mr. Speaker, that is what we could do with the present monetary system, if only it was really set up in a way to give satisfaction and do more justice to all Canadians.

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, in view of this capital legislation, we would be tempted to wonder why hon. members are losing their time making speeches when they all agree. Politics is rather curious. If a member refuses to speak, to say that he agrees or disagrees, there will always be someone to claim that he dared not state his views or that he was opposed to this relief given by the government to the aged.

So it is important on the occasion of a debate on such a legislation that very briefly every one voice his approval or disapproval so that our views be on the record. At least, we have given an opinion.

Mr. Speaker, I would be happy if we discussed the bill in a less partisan way than in the beginning. I was surprised indeed when the Minister of National Health and Welfare (Mr. Lalonde) got carried away in his first words. He was not satisfied with introducing a pretty valuable legislation, he took advantage of the situation to launch partisan attacks, to discredit upon what may have been done when Conservatives were in power, to reserve for himself and the Liberal party the merit of this legislation and previous bills, claiming that in the field of social security and social progress, the people opposite possess the whole truth.

It is unfortunate, Mr. Speaker, that people who heard speeches from the gallery or read *Hansard* wonder why we have to play partisan politics on the backs of senior citizens, children or welfare recipients. On the contrary, it seems to me that if the treasury is in a position to give more relief to the aged, it is the Crown, Parliament which is responsible for it. No political party or politician can lay claim to all the merits of a legislation for himself or his colleagues.

Mr. Speaker, I understand the pretexts or excuses to justify those positions. Within a few days the members of the government will participate in a great annual convention which will take place September 15 and where they will consider the attitude of the Canadian public towards their party last October. They will probably come to the conclusion that the Canadian people have been extremely wise and they will probably also conclude that the convention of September 15 may be followed by another one where they will be able to decide once and for all what will happen to their party.

Be that as it may, Mr. Speaker, I believe that speeches with electoral undertones such as those given here should be set aside for other occasions, and I urge the Minister of National Health and Welfare to repeat, maybe even more violently, the first part of his remarks before his supporters at the convention. This convention will open at the same time as the official statistics on the cost of living are published, in September. Maybe Liberal supporters will then also come to the conclusion that this government is unable to solve the problem of the cost of living and the problems of the Canadian economy. In fact, one crisis follows another while the government hopes for a miracle from one week to the next, but certainly this miracle does not consist in legislation as inadequate and ineffective as that which we are studying today.

● (1650)

Mr. Marchand (Langelier): That is not partisanship!

Mr. Wagner: Mr. Speaker, we are quite willing not to be partisan, as the Minister of Transport (Mr. Marchand) says and to give justice to those who deserve it. But what strikes me is not so much the gist of this legislation, but the attitude, the overbearing manner, the spirit in which it is introduced, similar to that which the Minister of National Health and Welfare (Mr. Lalonde) showed in introducing the bill, and that in which the Minister of Transport responded at noon today, by quoting statistics, to a deeply human problem, for instance, that experienced by the expropriated people of Sainte-Scholastique. Reacting with the arrogance our hon. friends opposite have showed for some time will not develop trust in our political leaders and institutions among the Canadian people.

Mr. Speaker, I will talk about this bill. I am quite willing to say that escalating old age pensions in line with the cost of living has some merit. However, it should be recognized that a year ago almost to the day, we traveled across the land and solemnly promised to increase these pensions and, in co-operation with the provinces, stated that escalations of these pensions in line with the cost of living index would be necessary so that these periodic readjustments would not be immediately eaten up by the increases in the cost of living. I even pointed out at that time that obviously this would not permanently solve the problem. I feel that there are other values which are much more important than that of purchasing power and which are certainly not properly served by an increase of a few cents or a few dollars.

You will remember, Mr. Speaker, that at that time our friends opposite retorted, as reported on the first page of the newspapers: The Progressive Conservative Party members, especially Wagner, are making stupid and unconsidered promises. And these same Liberals only had, Mr. Speaker, to be barely returned to power and to remain in power, thanks to the NDP's systematic prostitution and to be hard pressed by a dynamic, alert, courageous and powerful opposition, to adjust their firing—that is part of an excellent strategy,—and to make their own several Progressive Conservative commitments, among which the subject matter of Bill C-219. Therefore, let us give back to Caesar what belongs to Caesar: Let us recognize where the good things come from and let us accept them for the good of the Canadian people.

Let us stop playing a hypocritical game.

Of course, we will vote for this measure to amend the Old Age Security Act in order to provide quarterly adjustments, to the pension and guaranteed income supplement based on the quarterly increases in the consumer price index. However these provisions affect only the present pensioners and in no way reach people of 60 to 65 years of age. While waiting for a guaranteed minimum income policy, I ask the government to specify its views on the possible and gradual eligibility of Canadians aged from 60 to 65 years to the old age security pension. I ask the government to deal with the situation of the citizen of 60

to 65 years whose spouse is already aged 65 years or more, in order that he may now receive a pension. During this debate, it seems to me that the Minister of National Health and Welfare, if he can take a moment at the end of the debate, ought to answer these questions asked by thousands of Canadian men and women who are directly concerned. This question never ceases to crop up when we visit our constituencies and have the chance to talk to various classes of people. It is of concern to them and should, I think, bring a response from the government as soon as possible.

The sole reference which may be made to this operation's cost in millions of dollars is not, in my view a satisfactory answer. It is not because someone says: This will cost one, two or five millions more that this is an adequate solution to a human problem, especially when we know of the shameful waste in the spending of public funds and when we know that the wrong projections of this Minister of Finance, once adjusted, enable the government to make greater contributions from the Treasury without raising taxes for that. Millions of people are guided toward foreign aid and other activities in foreign countries so that the reports we receive allow us to think that it is quite possible those funds are not distributed as a businessman would. All that constitutes a record that I, for one, in any case, intend to look into in coming weeks to find out if those funds made available by the government of Canada and distributed by CIDA truly reach their destination and are truly used to help underdeveloped foreign countries in need of them.

If in reply to the requests voiced here for the 60 and 65 year olds reference is made to the concept of guaranteed minimum income or the objective of coherence in the field of social security, to be considered suitably, that concept will have to be further specified by the Minister of National Health and Welfare (Mr. Lalonde). As a matter of fact I wonder—and that might be another question for the minister to answer—what has been done since the release of the yellow paper last spring on the question of guaranteed minimum income.

Surely, I hope the government will give us explanations on the subject because it is not a type of subject that should be saved only for an election campaign. That question could well be examined thoroughly and intelligently in this House and could well constitute a subject matter to be examined by the parliamentary committee.

In any case, Mr. Speaker, this bill pertains only to those 65 and over. In support in that regard of my colleagues of the Social Credit I ask the government in the expectancy of a guaranteed minimum income for all, to refer to the committee of the House that whole question of the 60 and 65 year olds. Is this financially possible? What are the true objections? What are the statistics concerning this? How can this be interpretated in the various areas of this country? What decisions should be taken and can the budget warrant such a decision?

● (1700)

It seems it would be in our interest to air the whole question in a committee of the House, using the information the government has and adding ours. Let that committee make its study without delay, a study leading eventually to recommendations that could probably be referred to a federal-provincial conference on social security.

[Mr. Wagner.]

This bill, concerning people of 65 and over, is a step forward in that the increase already granted the golden age people would mean a somewhat better position, because that increase would not be completely eroded by the ceaseless increase in the cost of living. But the Canadian people will quickly understand, and especially the pensioners, that this is not all the same a real and net increase. It does not mean either an increase in the purchasing power of the 65-year old people but at the most a normal and just measure to maintain the pensioners' purchasing power. So that, Mr. Speaker, the people of 65 or over find themselves like their fellow citizens, like the average citizen, the knife-grinder, the dealer, in that they are at grips with the cost-of-living problems.

The measures announced by the right hon. Prime Minister to check the cost-of-living increase are but a partial solution to the inflation problems on the national level. Moreover, those measures came once the harm was done, when the crisis was at its pinnacle. And we realize today how appropriate it was for my party last Friday to be able to have Bill C-219 amended so that the railway workers may get a better treatment to cope with the cost of living.

The government, Mr. Speaker, did not worry enough about the condition of the average people, the average Canadian, the ordinary taxpayer, the one whose tax is deducted from his salary, the one who cannot cheat the revenue department. Those Canadians are probably the ones who are forgotten by this government. The government has not announced anything, for instance, concerning rates of interest on mortgages, the 11 per cent tax on building materials, transportation, special taxes on clothing for adults. He stopped half-way, that is with clothing for children. There are so many areas beside food where the constant increase in the cost of living is being felt. And yet, most Canadians, whether they are less or more than 60 years of age expected some concrete measures in these specific areas. The government was content, unfortunately, with a partial approach and incomplete solutions, mostly because of the cost of living, but also for other reasons which stem from the very concept of our society.

Social unequalities go unchanged in this country. The imbalance in the access to human achievement is also being perpetuated in this country. In the very name of social justice, more should have been done, Mr. Speaker. In order to convince ourselves better, we have but to read the Labour Day message of the Canadian Catholic Conference.

I do not intend to repeat what the bishops said, even though I am in excellent company, but I will limit myself, Mr. Speaker, to quoting four sentences which could probably be reflected upon by us all while we discuss the problem of the cost of living, and in particular, its incidence on senior citizens.

Here is the first sentence:

1. Why must the little consumers with fixed incomes bear the weight of the spiraling cost of living while corporations continue to increase their profits?

2. Why is it that one Canadian out of four cannot adequately fulfill his basic needs for food, clothing, housing, while others get rich in the food, clothing and real estate industries?

3. Why does it cost so much for some people to eliminate their debts while banks and finance companies accumulate abusive profits?

4. Why is it that international trade agreements are usually in favour of developed countries to the disavantage of those countries which supply the raw materials?

Mr. Roy (Laval): Are there answers to these questions?

Mr. Wagner: We realize, Mr. Speaker, as the hon. member for Laval (Mr. Roy) is suggesting, that the answers must come from the government. The government must have leadership and undertake to eliminate these disparities. There will no doubt always be disparities, but as long as the government has enough heart and courage to take the necessary decisions, we can believe that answers will be found to those questions asked by the bishops. But when a government is more interested in hanging on, in running with the hare and hunting with the hounds, in looking out for its left wing and buttering it up, in delighting itself in a *statu quo* situation, then we shall never get answers to those questions asked by the bishops and the Canadian people.

Mr. Speaker, we must also realize that the bill now before us is valid only in the short term, as a palliative, a necessity, an answer given by the present system. Thus, it is inappropriate, ineffective and inadequate because it does perpetuate marked disparities in our society, favouring one class in particular, chastising another and ignoring all the others. Above all it does perpetuate one supreme value, namely the concept of the purchasing power.

Let me quote the last part of the bishops' message on social disparities.

Consumer power has become the unequivocal symbol of a social class . . . This assessment based on financial resources creates new social gaps which are more difficult to fill than those which exist between people speaking different languages. How can we be proud of this institutionalization of social segregations?

Mr. Speaker, most of the people who will be affected by this bill, will not, I am afraid, get very much out of it, because of the steady increase in the cost of living. This bill does not root out in any way the evil which makes them, like many of our citizens aged between 60 and 65 and ordinary citizens generally, people who have worked all their lives, and have earned money that has been given out to those who already have too much. The measure of justice which is commensurate with the fundamental values of man, where human fraternity is concerned is still to come.

I hope the government, during this debate, inspired by the contents of the yellow paper or something else, will tell us about the measures to come, the legislation being considered, which will be more in harmoney with our new collective conscience, especially among the youth of this country.

[*English*]

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I listened with some interest to the hon. member for Saint-Hyacinthe (Mr. Wagner) who, as a former barrister and a distinguished judge, I am sure was told during one of his law lectures that when you have the facts on your side you pound them into the jury, when you have the law on your side you pound it into the judge, but when you have neither the facts nor the law on your side then you pound the table.

Some hon. Members: Hear, hear!

Mr. Cullen: That is what we found the hon. member doing. I noted with interest that in his comments he made reference to the Canadian Catholic Conference but that he would not read from its report. It was a pretty well selective bit of reading that he did. Perhaps I might be permitted to commit the same sin. On page 8 of the English text they commend the government and the action it has taken, and they say this:

● (1710)

In this country the Working Paper on Social Security in Canada proposes certain steps towards some measure of income equality. How many of us have given these proposals much attention?

So I suggest with respect to the hon. member that he should re-read that in both official languages to see if he can get the gist of the bishop's message. He said that he did not think we should become too much involved in a partisan political debate. I am not surprised that the hon. member has made this recommendation because in looking at their political background in this area his party are weak. We heard the hon. member for Simcoe North (Mr. Rynard) talk about physical years and we heard the hon. member for Saint-Hyacinthe (Mr. Wagner) talk about calendar years, which is what his cohort indicated they should not be talking about. Then the hon. member for Simcoe North said it is not fair to compare the amounts of the increases because in 1963 there was not the same inflation.

I suggest that the hon. member is really saying that they should not have received any raise during that particular time because they did not need it. If we go along with that and say because there was no inflation they did not need a raise, the hon. member's party had 207 or 209 seats and it seems to me they could have done something to provide some help to these people in respect of the cost of drugs. I do not see one reference in *Hansard* during that period where the hon. member made the speech he made today about the government doing something about the cost of drugs.

It would seem to me that something could also have been done at that time for housing senior citizens. If that government had been doing what this government is doing, we would have had 20,000 housing units for senior citizens dating back to, say, 1958. What a giant step forward that would have been. But the Tories looked at it with their "tunnelvision", as they seem to do so far as senior citizens are concerned, and said that because there was no inflation they really did not need the money, and decided to turn their attention to something else. Nothing was done about drugs and nothing was done about housing. Nothing substantial was done to give dignity to the senior citizens in programs such as the New Horizons Program. So I am not surprised that the hon. member does not want to become involved in a political debate, because he knows, as a distinguished barrister, that he does not

have much of a case or that certainly his party does not have much of a case.

I listened very carefully and attentively, as I always do, to the hon. member for Vancouver Kingsway (Mrs. MacInnis). I heard her comment to the effect that we should be paying married couples $400 a month. She did not suggest how much that would cost, but I suggest it would be something in the neighbourhood of $1,300 million. The NDP is different when it forms a government from when it is in opposition. We have heard the NDP talk about $400 a month, but what does the NDP government give when it is in power in certain provinces? In British Columbia they suggest $250 a month is enough. In Manitoba it is $242 a month. In Saskatchewan it is $219, plus a 5 per cent increase announced in August which takes it to $230 a month. What is the highest figure in one of the richest provinces, British Columbia, where most of the money to be spent was raised by the Social Credit Party? The amount in that province is $250 a month. Half of that amount comes from the federal treasury.

It is one thing to be in opposition; it is another thing to be in government so far as the NDP is concerned.

Mr. Orlikow: Mr. Speaker, would the hon. member permit a question?

The Acting Speaker (Mr. Laniel): The hon. member would have to have the consent of the hon. member who has the floor.

Mr. Cullen: Mr. Speaker, I am very anxious to see this bill go to the committee stage today. I would be quite happy to take the question right now, but—

Some hon. Members: Question.

Mr. Cullen: If hon. members are prepared to agree to second reading and proceed to the committee stage I would be happy to sit down now. I do not think it is necessary to catalogue what the government has done; it has been fantastic. Mr. Speaker, might the question be put now?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): Order, please. Other members are standing up, so there does not seem to be unanimous consent.

Mr. Cullen: I must say I regret that. This bill provides for a very ordinary run-of-the-mill increase based on the cost of living. I think the tactic and the idea behind this is good. I believe it is necessary. I am afraid, however, that there does not appear to be unanimity among the opposition parties. I notice that no members from the Liberal Party stood up. They are prepared to pass the bill and refer it to the committee stage.

Mr. Macquarrie: I rise on a point of order, Mr. Speaker. There seems to be a grasping for consensus by the hon. member. We are, as we were last night, prepared to facilitate the passage of this bill.

The Acting Speaker (Mr. Laniel): Order, please. Is it the wish of the House that I ask whether there is unanimous consent to put the motion for second reading at this time?

Some hon. Members: Agreed.

• (1720)

[*Translation*]

The Acting Speaker (Mr. Laniel): I am wondering if the House would give unanimous consent to proceed immediately to the second reading of the bill and to its reference to the committee of the whole.

Some hon. Members: Agreed.

Motion agreed to, bill read the second time, and the House went into committee thereon—Mr. Laniel in the chair.

The Deputy Chairman: Shall clause 1 carry?

Mr. Latulippe: Mr. Chairman, I am pleased to say a few words on clause 1 of Bill C-219.

Mr. Chairman, this bill is very important even if we know that it will not solve our problems; we must apply ourselves to restore a national balance between the various economic social and legislative elements in this country. We have legislation to pass because of the effects of the present system which has thrown our economy off balance to such an extent that it is necessary through legislation and regulations to increase pensions, salaries, etc. Mr. Speaker, people are not satisfied and amendments must be introduced and corrective measures must be passed in several fields.

I would say, Mr. Chairman, that the modern state is man's enemy. In the midst of this chaos, there is however one thing: the success of science. The results are there before our eyes as evident as the light. Science itself gives proof of it, as it is a perfect success in its own field but men use it as an instrument of exploitation and domination. We are always exploited, dominated by various factors. When there is no war on we experience a general unbalance in our economy, tax increases, problems for our population, increases in prices, in the unemployment rate too, and we witness a general unbalance of our economy. We have no stability and the bill before us is far from being able to stabilize the economy as much as it should.

Mr. Chairman, the development of interplanetary rockets is wonderful in itself. Man is freed from the universal gravitational pull, the cosmic route is open, all planets are within the reach of any man or nation: is it not magnificent, Mr. Chairman? In this age of plenty, when science is as advanced and applied as it is, we can hardly find the most simple solutions. We cannot make them available to the people so that they may live in reasonable comfort. We hear of nothing but surpluses in our economy; we hear of nothing but production increases and we are bothered by overproduction. In front of so many wonders the pride of men knows no limit but at the same time on earth at least one billion people out of three billion do not fully fill their stomach. And we have the guts, Mr. Chairman, in our economy, in this Parliament to give subsidies, to pay exorbitant amounts of money through taxes taken out of the pockets of citizens who do not have enough, to reduce our production. It is a crime, Mr. Chairman, vis-à-vis

humanity. Instead of reducing production we should provide funds to increase it, to make available to a greater extent to Canadians and those who need it in the world. In front of so many wonders the pride of men knows no limit. In that foolish run towards ever more science, more technology, more conquests of a material nature, humanity is heading the wrong way.

It is not a question of condemning science or technology Mr. Chairman, but of proclaiming that they are not an aim per se, that they have their limits in any case, that they must above all serve man, not enslave him, or even less destroy him and for all those reasons they must remain at the human level. Are the mediocre means proposed by the Prime Minister likely to cure the evils from which we suffer? They are but puny measures; prices will continue to rise, taxes will take even more away from the people. The evils from which we suffer are the result of the present system where finance is the only thing worth working for.

We do not work for the human being, we do not try to give him what he needs, to make available to him what he requires; for example, we work to increase interests as well as the public debt. When the public debt grows, taxes go up.

The bill now under consideration reflects the wish to see the cost of living go up still further, since pensions will be geared to the cost of living every three months. Taxes of all kinds are crippling the economy and creating inflation. What is crippling the economy is the lack of consumer purchasing power.

Through these various means, Mr. Chairman, the essential purchasing power is taken away from the consumers and given to the makers of dollars, and as a result, interest rates and the public debt go up.

Under those conditions, Mr. Chairman, we must find the abuses and remove them if we really want to solve the problems.

We find, Mr. Chairman, that the problem is not to feed the hungry but to eradicate hunger; it is not to help the oppressed but to abolish oppression; it is not to remove the evils throughout the world, but to cope with them with the proper remedies.

● (1730)

Of course, it is understood that every man's right entails a duty towards society, but who can force the State to fulfil its duties? The State is the power, the strength, the law; it is the law; it has no moral conscience, it is irresponsible, it is its own end and purpose. The State is nothing more than a manifestation of tensions.

That is what I think, Mr. Chairman; that is why we cannot remedy deplorable situations, solve our problems and restore our economic stability.

The man who is hungry has a right to life and food. In the world of law, he can only die; but in fact, he will live, saved by pity, charity; but these cannot constitute in the system anything but a compounding influence, for they only confirm the impotence of the law and its decisions.

Mr. Chairman, when a large number of Canadians live off welfare, live off the workers who sweat and carry the burden of taxes, of public debts, we are discouraging all initiative. There are no Canadians with any encouragement left, there are no Canadians, owners of industries or businesses, with any encouragement left. All are discouraged, all are ready to give up. A great number of them are contemplating giving up their business because they can not even earn an adequate living from it.

Because of the burden they must bear, Mr. Chairman, because they have to carry everything, the State, taxes, income taxes, increases in salaries, they are incapable of making ends meet. That is the cause of great bankruptcies these days.

Mr. Chairman, we must therefore take modern businesses out of the false universe of law to make them enter into the living universe of duty and of moral obligation. Order presupposes a law which establishes an end; it also requires means to attain an end.

Here again, in Canada, during the first ten days of August, Mr. Chairman, Her Majesty the Queen of England and the Prime Ministers of 32 countries members of the Commonwealth held a great conference in Ottawa to study major economic problems in relations between great institutions. At no time did anyone deign lower himself to the question of the needs of man, who is the basic unit of all political, economic and social administrations.

Despite the extraordinary growth of our annual production, the national economic disequilibrium is present everywhere under all kinds of forms, for example inflation, unemployment, and poverty affecting all social levels, even the richest.

Faced with the urgent necessity of restoring the economic balance in the life of the nation, each of us tries to make gestures, defensive acts in a hurry and a flurry which are not in keeping with the importance of the corrections that must be made. These corrections would require more calm and mastery to be really efficient, for now and the future.

The regulations or improvements to the regulations which we are now adopting to do some good to one sector of our society—senior citizens—are being adopted much too rapidly. The problem has not been sufficiently studied.

What we give, we give only in driblets, whereas we should give fully and generously to restore the balance of our economy.

I state here, Mr. Chairman, the whole difference between act and thought, between gesture and idea. When we say that thought leads the world, that thought comes before action, that we must think before acting or speaking—because the word equals an act in some circumstances—we recognize explicitly that all that happens in real life is the result of previous thinking which led to action and to a change in our way of life.

Mr. Chairman, if we only see inflation, unemployment and poverty, if all Canadians complain that incomes are too low and taxes too high, I say that an exact knowledge of present economic facts can enable us to realize immediately, for all Canadians, a rise in income or a decrease in taxes. If we do not take time to get information, statistics tell us that in Canada, in 1973, we produce $114 million's worth of goods and services but that only 60 per cent of this production are consumed and 40 per cent capitalized. Consumption merely amounts to $66 billion and capitali-

zation of $48 billion, $8 billion of which for individuals and $40 billion for big companies and financial institutions.

Knowing that, Mr. Chairman, we realize it would be easy to transfer $18 billion from capitalization to consumption. Thirty billion would still be left for the liquidity requirements of all companies and for the development projects needed for expansion needs in Canada. With $18 billion added to the citizens' purchasing power the government could reduce by 40 per cent the tax on the workers' income and provide also a guaranteed minimum income to every citizen.

We talk about a guaranteed minimum income, but we do not ask ourselves whether we have sufficient revenues for that. We know we have a $48 billion surplus in 1972-73, but we do not want to talk about it. We do not realize that we could spend up to $15 or $18 billion to provide a guaranteed minimum income to all Canadian citizens, even with a tax reduction. All Canadian citizens would then see an increase in their purchasing power, without any increase in taxes.

A vast economic operation would be needed to restore the economic balance. First of all, we would have to remove the taxes that most contribute to the increase in the cost of living, such as the 11 per cent tax on building materials. But they do not want us to talk about that, they do not want that to be mentioned. We are called to order when we want to mention it, but it is a tax that directly contributes to the rising cost of living. It is a tax that gets us into extreme debts, a tax the Canadian people could do without, for it greatly contributes to the increase in housing. Rates of interest should be reduced, especially those of the Central Mortgage and Housing Corporation, that exploits the citizens, although the government controls it. The Industrial Development Bank exploits industries by lending money at 12 per cent interest, which contributes to the increase in the cost of living and causes debts to all Canadians. But great care is taken to keep silent on this.

Mr. Chairman, these overly heavy taxes are taking unfair advantages of a great many people and are responsible for the increase in the cost of living.

It is the interest on money which tends to increase the cost of living because no one can make both ends meet without borrowing money. All monies are borrowed from the first to the last cent. All monies bear interest and when the latter is very high, nobody has the courage to denounce that kind of exploitation. As far as I am concerned, I have the courage and the nerve to state the situation to the public and even to the whole world because the problem is the same everywhere: the exploitation of man by money.

The decision of the government to escalate pensions on the cost of living index with quarterly adjustments, is only a band-aid which will not cure economic ills because all other areas will face increases. The labour force will have more excuses to go on strike and demand wage increases, the cost of living will continue to rise and the whole economy will suffer more and more.

It is allright to say: We will adjust the pensions according to the cost of living index but if the cost of living goes higher and higher, what is the use of basing the pensions on the increase of the cost living?

[Mr. Latulippe.]

The causes we should determine are those of the economic ills. We have to uncover them.

To balance our economy, there are only three ways: the financing of our municipalities, school boards and governments according to administrative costs. We must finance stocking at reasonable interest rates, because this interest rate is one of the main causes of the increase in the cost of living. But if the government was willing to take its responsibilities, we could finance all the storage of goods at reasonable interest rates which would not contribute to the increase in the cost of living.

Today still, with the 88 formula of banks to finance storage, we pay a 12 per cent interest rate. This does not make any sense but nobody talks about it. The Prime Minister and the members do not mention it. We are the only ones to talk about it.

The Deputy Chairman: Order! I regret to interrupt the hon. member but his time has now expired.

• (1740)

[*English*]

Mr. Orlikow: Mr. Chairman, it is not often that I participate in debates about old age pensions because my colleague the hon. member for Winnipeg North Centre has been so active in this field. However, I could not let some of the opening remarks made by the minister go by without reply. I consider the minister to be one of the best, if not the best, who has ever held that portfolio in the time that I have been in this House. At the same time I consider him to be a friend. But I must say that I was somewhat disappointed in his partisan praise for the record of the Liberal Party in the field of pensions, and I cannot help but refer to the actual record.

The hon. member for Winnipeg North Centre referred to the fact that pensions were first introduced in Canada when his predecessor as member for Winnipeg North Centre, the late J. S. Woodsworth, proposed them in 1925. I want to remind the minister that the then member for Winnipeg North Centre, together with the then member for Winnipeg North, Mr. A. A. Heps, jointly wrote a letter to the leaders of the three political parties at that time, Mr. Mackenzie King of the Liberal Party, Mr. Meighen of the Conservative Party, and Mr. Forke of the Progressive Party, in which they indicated that they would support any of the three leaders if they would bring forth pensions. It was only after this that Mr. King agreed to bring forward the first old age pension plan in this country.

I should like to say a few words now about the comments made by the hon. member for Saint-Hyacinthe. I am not going to go back over the record of the Conservative Party when it was led by Mr. Bennett or by the right hon. member for Prince Albert, but I do want to refer briefly to the recent federal election campaign. At that time the New Democratic Party was proposing that the old age pension should be increased to $150 per month. The Leader of the Official Opposition not only would not agree to that, but he would not even agree to increase it to $100 a month. The most that the people of Canada could get from the Leader of the Opposition during the election campaign was a

promise to increase the old age pension and the guaranteed income supplement to take care of the increase in the cost of living. When the hon. member for Saint-Hyacinthe speaks about an increase in the old age pension to $400 a month for a couple, I think he should remember what his leader was saying during the election campaign.

Let me now say a few words about the speech made by the hon. member for Sarnia-Lambton in which he was critical of the New Democratic Party provincial governments because they had not raised the rates for welfare or social allowances. I agree with him that the rates for welfare in all provinces should be higher than they are, but in making those remarks he was comparing apples with oranges. We are not here to discuss the rates paid to those people who need assistance in the provinces, though I am prepared to discuss that on another occasion and to agree that the rates are too low in all provinces. I am not very happy about that. We are here to discuss the rates of assistance in the form of old age pensions or guaranteed income supplements or provincial supplements to those people who are 65 years of age or older. The hon. member for Sarnia-Lambton did not put on the record that in the province of British Columbia every single person 65 years of age and over gets a minimum income, guaranteed by the province, of $200 a month. In other words, whatever their income is from other sources, if it is less than $200 the province brings it up to that figure. I think the record should be clear and the hon. member should not have confused it as he did, though perhaps inadvertently.

Mr. Cullen: A point of order, Mr. Chairman. I know the hon. member wants to be fair. It was my intention to make reference to that extra $50 and criticize it, because it goes against N.D.P. policy of universality. It seems to me that all the old age pensioners in Canada should be in a similar situation, rather than being better off in one province than in another.

Mr. Orlikow: Mr. Chairman, we are talking about a floor, a minimum. We have never said that everybody should get exactly the same amount. That is ridiculous, Mr. Chairman, and we never suggested it or advocated it. We said that there should be a floor that every person should get. In British Columbia, for people 65 years of age and over it is $200. That is precisely what we are talking about, and I want to say to the hon. member for Sarnia-Lambton that there should be a floor for old age pensioners under the program provided by the federal government which should now be $200 a month. Although I have not talked to the particular minister in charge of this in British Columbia, I believe that if we were to do that the province of British Columbia would supplement that $200 floor.

We are going to support this bill because we support pension increases. This country is wealthier than it has ever been and can afford to let the people who worked so hard to develop it and have now retired have a share in the increased productivity and wealth. We have consistently called for increases but our proposals have equally consistently been opposed by Liberals and Conservatives. We have been told it is too expensive, too visionary, that the country cannot afford it, or that the time is not yet. There is always an excuse.

Old Age Security

During the election campaign we said that the country could afford a $150 pension for senior citizens. We say now that the country can afford a pension of $200 a month for senior citizens. We know this government is not ready to implement that proposal and that a Conservative government would not be ready to do so either. We therefore support this measure to increase the pension and the guaranteed income supplement to at least take care of the increased cost of living on a quarterly basis.

● (1750)

I now want to speak of something that was proposed some time ago. Two or three years ago I proposed that the old age pension and guaranteed income supplement should be adjusted periodically, not after the cost of living had risen but in advance of such rise. I have been critical of accountants who work for the Department of Finance and I am still critical, but I am certain that they have enough ability to estimate approximately by how much living costs will rise in the next three months, six months or next year. I suggest to the minister that he should seriously consider adjusting increases in the old age pension in advance of increases in the cost of living, rather than allowing pensions to lag, as at present. Pensioners at present suffer because pensions lag behind increases in living costs.

I have another criticism. The government is proposing to increase pensions on the basis of the overall increase in the cost of living. Pensioners face two serious problems in dealing with increased living costs. First there is the increase in food costs, an increase which is almost twice as great as the overall increase in living costs. I am not being critical when I say this, as I realize that a very substantial part of that increase has gone to farmers who in recent years have been underpaid for their produce. The increase in food costs has not been in the order of 4½ per cent, the amount by which the cost of living increased in the first six months of 1973, but in the neighbourhood of 9 or 10 per cent. So the proposed increase will not help greatly those people who are getting the old age pension or guaranteed income supplement.

The increase in housing costs has been even more substantial than that, and that ought to be taken into consideration. Without taking up too much time, may I suggest that the Minister of National Health and Welfare discuss with the minister in charge of housing ways to provide a dramatic increase in housing accommodation for senior citizens at rents which they can afford. I say this because every time we increase the old age pension private landlords who rent to old age pensioners immediately increase rents by almost the full increase in the pension, so that old age pensioners are left with very little of the increase that Parliament has awarded.

We have proposed that the basic old age pension should be $200 per month for every person who qualifies. I again urge on the government, as other members of the NDP have urged, that the age at which people get the old age pension should be reduced to 60, and that the reduction should take place in the same way as when the age was reduced from 70 to 65. Pensionable age was reduced by one year at a time. In this case it ought to be reduced by one year at a time until older people who qualify can get the pension at age 60. I, like every other member of parlia-

ment, frequently get inquiries from people between 60 and 65 who cannot work. As the hon. member for Sarnia-Lambton said, the rates for welfare, or for social allowances in every province, are a disgrace when you compare those with what we now allow to people who get the old age pension.

Many people cannot work until they are 65. Many women have been left as widows, or have never worked, or cannot work but must, and they find they cannot work beyond age 60. Therefore, I say it is a disgrace that they are allowed a very meagre standard of living until they reach age 65. I urge the government to give serious consideration to announcing that it is prepared to reduce the age at which certain people can get pensions to 60. I hope that will be done in the near future.

Similarly, I urge the government to give serious consideration to amending the Canada Pension Plan so that people who retired voluntarily from the work force between the ages of 60 and 65 are given the full benefits of the Canada Pension Plan.

Lastly I urge the government to look into the matter of private pension plans, so that people who retire, having contributed for many years to a plan will get a pension that is based on real dollar value, rather than on the number of years that they have contributed to that plan. The pension may have looked good while they were contributing; but those people now find when they retire at age 65 that, in terms of 1973, 1974 or 1975 dollars, it really is not enough for one to live on.

I urge the government to take my suggestions into consideration. They are not radical or revolutionary; they are not things which have not been proposed before. If the government gives consideration to my proposals and brings forward legislation this year, that will be a good beginning but not more than that. Further, these proposals will be met with approval by people in all parts of Canada, regardless of their political affiliation.

[*Translation*]

The Deputy Chairman: The hon. member for Shefford.

Mr. Rondeau: Mr. Chairman, I thank you for recognizing me, but I would point out that it is six o'clock.

[*English*]

Progress reported.

At six o'clock the House adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, September 6, 1973

The House met at 2 p.m.

PRIVILEGE

MR. NIELSEN—REFERENCE TO PRESS INTERVIEW GIVEN BY SOLICITOR GENERAL

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise at this time on a question of privilege concerning a matter of which I have given Your Honour the notice as prescribed by Standing Order 17(2). As a matter of courtesy I have supplied the notice to the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) who is concerned with the privilege I intend to raise.

On Tuesday, September 4, the House passed the following motion which appears at page 6181 of *Hansard* for that day:

That all matters pertaining to the interrogation of myself and my staff on Friday last be referred to the Committee on Privileges and Elections for study and report.

This related to a matter of privilege raised by the hon. member for Kingston and the Islands (Miss MacDonald).

On September 5, the Solicitor General appeared in an interview given to parliamentary correspondents, part of the tape which was recorded at that time being used on "Telejournal" at 10.30 p.m. and the newscast of Radio Canada for the same date. The subject matter of the complaint of the hon. member for Kingston and the Islands was the subject of that interview. The questioning of the Solicitor General, and I quote from a transcript of that interview, was as follows:

Q: Mr. Allmand, you are responsible for the Royal Canadian Mounted Police. Have you obtained supplementary details on the incident concerning the department of Indian Affairs and Miss Flora MacDonald?

A: Yes. First, the Royal Canadian Mounted Police was not concerned with this investigation, since it is a matter of theft and in Ottawa, theft comes under the responsibility of the Municipal Police. There were two Ottawa policemen in this investigation and because it was a matter of government documents, there was an RCMP officer with the two policemen. Therefore, it seems, according to our information, that the secretary of Miss Flora MacDonald got in touch with an official of the department of Indian Affairs saying that she had information that someone was in the process of passing these documents to Flora MacDonald or that there was a possibility that these documents would be brought to Flora MacDonald's office.

Q: Not clear . . . Why to Flora MacDonald?

A: I don't know why but she had this information. The secretary got in touch with this officer from the department of Indian Affairs saying this without giving more information at that time. Later, when the three officers were present the same official of the department of Indian Affairs phoned the secretary once again to have more details. Following this telephone conversation the three officers visited the secretary, simply to find out how she had come about this information and to protect not to accuse, the secretary of Flora MacDonald, to protect Flora MacDonald and her secretary, her office, her office staff, against problems. For instance, if someone has really brought the documents into the office, there might be problems for Flora MacDonald and her staff. And you must remember that at that moment there was an Indian demonstration on Parliament Hill, that morning, Friday morning, and many Indians were present on the Hill, about two hundred. Therefore there was a possibility that there had been such a communication on that morning.

Q: Did you have a sound recording of that conversation between the secretary and the department of Indian Affairs?

A: No, because it seemed at that time that the secretary was willing to cooperate, therefore it is her that phoned the department; it is not the police officers which first got in touch with the secretary of Flora MacDonald. She contacted the department of Indian Affairs concerning these documents. She instigated the matter.

Q: Therefore, for you the question of privilege no longer stands?

A: It is not for me to decide that, it is up to the Parliamentary Committee, but I understand that the officers are ready to give all this information to the Committee when it will sit, and I believe that the Committee will sit soon, in a few days, and the police officers are ready to give all this information to the Committee. But there never was any question of accusing Flora MacDonald and her staff, but only to protect her against the possibility of accusation; for instance if a stolen document is found in your house, you are immediately suspected. Therefore, it is to protect her against that, that the police officers visited her office after the telephone call made by her secretary.

I will be moving a substantive motion when I have presented my arguments to the Chair to the effect that the interview given by the Solicitor General and his statement given to the media on this occasion constitute a contempt of parliament.

● (1410)

I have already read to Your Honour the reference that was made to the House by the standing committee. That reference is to be found on the page I outlined, in *Hansard* for that day, and the timing of it, Sir, was four o'clock in the afternoon. The timing of the interview with the Solicitor General in the scrum room downstairs was approximately six p.m. that evening, well after the order of the House was passed sending the matter to the committee.

The hon. member for Kingston and the Islands, in her submission to the House with respect to her question of privilege, stated that the interrogation of her staff by the police was done without her authority or her knowledge, and without the authority or knowledge of yourself, Sir. The intimation by the Solicitor General, in the remarks he made with respect to this, clearly is an effort to repudiate that statement made by the hon. member for Kingston and the Islands. When she says that the interview of her staff by police officers was conducted without her authority or knowledge, her word must be accepted on that score and it is unbecoming, and in my view contemptuous, for the Solicitor General to suggest it was done with her knowledge indirectly through the members of her staff.

I have some citations to quote in support of the motion I will be moving. The first is extracted from May's Parliamentary Practice, 17th edition, at pages 119 and 120. Under

the heading "Premature Publication of a Committee's Proceedings or Evidence" I quote:

> By the ancient custom of Parliament "no act done at any committee should be divulged before the same be reported to the House." Upon this principle the Commons, on 21 April 1837, resolved, "That the evidence taken by any select committee of this House, and the documents presented to such committee, and which have not been reported to the House, ought not to be published by any member of such committee or by any other person." Where the public are admitted this rule is usually not enforced. The publication of proceedings of committees conducted with closed doors or of draft reports of committees before they have been reported to the House will, however, constitute a breach of privilege.

An example of indignities offered to either House is cited at page 120 where there is reference to "slighting and contemning an order of either House." If that be the case it is even more strongly a matter in support of my question of privilege, because if it be contemptuous for a member to disclose evidence of a committee, it is even more contemptuous for a member to disclose evidence before it is given by a very probable witness who would be called before the committee to give that evidence—

Some hon. Members: Hear, hear!

Mr. Nielsen: —as to the involvement of an agency of the government coming directly under his jurisdiction, namely, the RCMP.

I have a further citation from Beauchesne's Fourth Edition, 1958, at page 429 as follows:

> The House of Commons has disciplinary powers over its members, and a member who abuses his privilege of speech may be punished, not merely by suspension from the service of the House, but by imprisonment or expulsion from the House, or both.

I am certainly not suggesting that the House should go to those great lengths with respect to the Solicitor General, but I wish to assure hon. members that the matter I am raising is a very serious one indeed, and it simply cannot be equated to statements made on proceedings in this House by ministers outside the House while those proceedings take place. The fact remains that this very serious matter of privilege was referred to a standing committee of this House for investigation and report, and by his conduct the Solicitor General in effect has given evidence which should have been given before the committee, and therefore is contemptuous of the order of the House made on that occasion.

From Bourinot's Parliamentary Procedure, Fourth Edition, at page 474 I quote this citation:

> It is, strictly speaking, a breach of privilege to publish the proceedings of a committee before they are formally reported to the House.

Again, Sir, this supports my contention that the evidence should be given properly before the committee and not before the media downstairs in the scrum room.

Again, Sir, in his book "The House of Commons at Work" Eric Taylor, on page 68, says:

> Most cases of "breach of privilege" are contempts of the House. The House must preserve its own dignity and authority, in order to carry out its functions.

On page 69 of the same work the method of punishment of a member is set forth. There are other references in May's to which I would refer Your Honour. At page 132 of the most recent edition under the heading "Contempt in General" appears the following:

> It would be vain to attempt an enumeration of every act which might be construed into a contempt, the power to punish for contempt being in its nature discretionary. Certain principles may, however, be collected from the Journals which will serve as general declarations of the law of Parliament. It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence.

I contend, Sir, that the statements by the Solicitor General to the media were an attempt directly to impede and obstruct the work of the committee in reaching its findings and subsequent report to the House.

I contend also, that it was an act of disobedience for the Solicitor General, well knowing that he was likely to be called as a witness before the committee in this very important matter in which his department was involved, to have made these statements. At page 134 of May's under the heading "Disobedience to Rules or Orders of Either House" appears this statement:

> Disobedience to the orders of either House, whether such orders are of general application or require a particular individual to do or abstain from doing a particular act, or contravention of any rules of either House is a contempt of that House.

The Solicitor General knew of the order of the House that the matter be referred to the committee, yet he flew in the teeth of that order and purported to give evidence before the media instead of before the committee itself.

Again, at page 140 of the most recent edition of May's under the heading "Other Forms of Misconduct" appears this example:

> Giving evidence elsewhere in relation to any debates or proceedings in the House of which he is a member or officer, or any committee thereof.

That is an example of misconduct by a member amounting to contempt. Again, at page 142 of May's most recent edition under the heading "Premature Publication or Disclosure of a Committee's Proceedings or Evidence" is a statement I would refer to you.

But even more serious than the contempt of the House, or of equal seriousness, is the reflection which the Solicitor General indirectly cast on the hon. member for Kingston and the Islands when in his interview to the media downstairs on this occasion he said that the investigation was conducted at the request of a member of the staff of the hon. member for Kingston and the Islands. He is in effect saying that what the hon. member based her question of privilege on—that the investigation, the interrogation was conducted without her knowledge and consent—is false. It does not lie within the mouth of the minister, let alone a member, to say that sort of thing except before the committee. On page 148 of the same edition of May's this is made very clear. I quote:

> Analogous to the molestation of members on account of their behaviour in Parliament are speeches and writings reflecting upon their conduct as members.

Now, Sir, the statement and the actions of the hon. member for Notre-Dame-de-Grâce would be bad enough if made merely as a member but he is a minister of the

Crown, and his references downstairs have to be taken as not only a member but a member of the Treasury Benches as well. In my view, no other conclusion can be reached than that his conduct amounts to a gross contempt of the procedures of the House, and certainly of the hon. member for Kingston and the Islands.

I therefore move, seconded by the hon. member for Fundy—

Mr. Speaker: Order, please. The hon. member cannot make the motion now, but he might indicate to the Chair the motion which he would propose to move if there were a prima facie case of privilege. Perhaps the hon. member would defer the motion on this basis. Of course, the Chair is very interested to know what the motion would be.

Mr. Nielsen: If Your Honour finds that there is a prima facie case of privilege I propose to move:

That the conduct of the hon. member for Notre-Dame-de-Grâce in publicly making material allegations and purported statements of fact on the 5th September, 1973 relevant to the matters of a question of privilege that were referred by order of this House on the 4th September, 1973 to the Committee on Privileges and Elections for study and report, the said committee not having so reported, is a violation of that order and a contempt of this House, and therefore this House censures the conduct of the member for Notre-Dame-de-Grâce.

● (1420)

Mr. Speaker: As hon. members know, it is not the practice to engage in debate on such matters unless there is a finding by the Chair that there is a prima facie case of breach of privilege. Naturally, as has always been done and in fairness to the hon. member whose conduct is impugned by the member's question of privilege, the Solicitor General should be given an opportunity to comment, after which the Chair will take the matter under advisement.

Hon. Warren Allmand (Solicitor General): Mr. Speaker, of course, the statements referred to by the hon. member for Yukon are true. I did make a statement before members of the press yesterday on the subject, and the hon. member quoted from that statement. Although he did not have the full statement, what he did quote was correct.

I made the statement in response to a request from members of the press who asked me if I had any report on the investigation, and on the question of privilege raised by the hon. member for Kingston and the Islands. I must say that when I was first asked by the press to make a statement, I hesitated. However, after a certain amount of hesitation, I recalled that the hon. member for Kingston and the Islands, after the question was referred to the Standing Committee on Privileges and Elections, had made statements before the press. As a matter of fact, after Your Honour had accepted that prima facie case of breach of privilege, the hon. member for Kingston and the Islands made a statement on television that night amplifying what she had said in the House, so that she has done the same thing of which I am now accused.

Second, before I made my statement to the press, I took the precaution of checking with the table for an opinion. I was advised by the table that it was in order for me to talk to the press about this thing.

Some hon. Members: Oh, oh!

Mr. Allmand: In conclusion, Mr. Speaker, if I have breached the privileges of this House, so has the hon. member for Kingston and the Islands.

Mr. Speaker: Order, please. I am not sure if the hon. member for Kingston and the Islands wishes to rise on a question of privilege or point of order. I am sure the House would like to allow her to make any comment she wishes, in view of the statements made by the minister. But, again, I suggest to hon. members that if we become involved at this time in debate on questions of privilege, we will spend the afternoon on the matter before a ruling is made by the Chair and this is apt to be highly irregular. However, I think we should hear the hon. member for Kingston and the Islands.

Miss Flora MacDonald (Kingston and the Islands): On a question of privilege, Mr. Speaker, I was referred to in the statement made by the Solicitor General. He said that I made certain statements following the ruling in this House. I wish to say that the interviews which I gave to the media, and which I had discussed with you prior to the interviews, were done at approximately 2.30 in the afternoon. The ruling was not made until four o'clock in the afternoon when the House reconvened.

Mr. Speaker: Order, please. I see the hon. member for Winnipeg North Centre seeks the floor, as does the hon. member for Yukon a second time. I urge hon. members to allow the Chair to consider the matter and review the citations referred to by the hon. member for Yukon, which I think it is the duty of the Chair to consider, following which perhaps the matter could be considered further.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. As the table has been dragged into this, is the table not to be given a chance to speak?

Mr. Speaker: Order, please. I believe the table is mute in debate.

Mr. Allmand: Mr. Speaker, I apologize, but my consultations were with the parliamentary counsel and not the table.

Mr. Nielsen: While Your Honour is going to take the matter under advisement, I might suggest that authority will be found in the most recent edition of May's for the fact that the whole matter could be cured and allayed by the Solicitor General tendering a formal apology to the House in this matter.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: I again suggest to hon. members that the proper course to follow is for the Chair to look into the matter further. In light of the citations quoted by the hon. member for Yukon (Mr. Nielsen), I should say to the House that having received due notice as required by Standing Order 17(2), I gave the matter serious thought during the last hour or two. I was inclined to make a ruling, but I feel I owe it to the hon. member for Yukon and all other members to look more closely at the situation and, in particular, consult the authors to which the hon.

member has alluded in order to ensure that the decision which may be rendered will be fair to all hon. members, including the Solicitor General.

MR. REYNOLDS—REFERENCE TO ANSWERS TO ORDER PAPER QUESTIONS CONCERNING BRITISH COLUMBIA PENITENTIARY

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question of privilege is with regard to some answers which the Solicitor General gave yesterday to questions on the order paper. They relate to the British Columbia penitentiary. Since I spoke to Your Honour, I have had an opportunity to meet with the Solicitor General (Mr. Allmand) and show him copies of correspondence I have from the penitentiary which dispute the answers given to me yesterday. The minister has agreed to hold an administrative inquiry into the issue if I supply him with the documents, which I intend to do. I ask Your Honour to withdraw my question of privilege until the inquiry is completed by the minister's department.

Mr. Speaker: I am sure the hon. member has the Chair's consent to withdraw the question of privilege.

ROUTINE PROCEEDINGS

[*Translation*]

PUBLIC SERVICE

SUGGESTED INTERVENTION OF MINISTER IN DISPUTE WITH VETERINARIANS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

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

Considering that the 125 Quebec veterinarians are meeting on September 8 in Saint-Hyacinthe to express their dissatisfaction with the Treasury Board which refuses, it seems, to grant them any salary increase, even though their collective agreement has expired last June, I move, seconded by the hon. member for Brome-Missisquoi (Mr. Graftey):

That the President of the Treasury Board intervene personally in this dispute in order to avoid a serious disruption of the meat inspection and animal disease control activities in Quebec following a strike or other similar action on the part of the Quebec veterinarians.

Mr. Speaker: The House has heard the hon. member's motion. Under Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore, the motion cannot be put.

[Mr. Speaker.]

AIRPORTS

SUGGESTED COMMITTEE STUDY OF DIFFERENCE IN EXPROPRIATION PAYMENTS AT PICKERING AND STE SCHOLASTIQUE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, under Standing Order 43, I request the unanimous consent of the House to discuss an important and urgent matter.

Considering that the people expropriated in Sainte-Scholastique receive an average of $200 for 4/5 of an acre compared with $2,200 an acre given to the people expropriated in Pickering, Ontario, I move, seconded by the hon. member for Champlain (Mr. Matte):

That a special committee of the House be set up to study this enormous difference in the evaluations and the payments for the land in Sainte-Scholastique and that in Pickering, Ontario.

Mr. Speaker: The House has heard the hon. member's motion. Under Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore, the motion cannot be put.

SUGGESTED COMMITTEE STUDY OF DIFFERENCE IN VALUE OF EXPROPRIATION PAYMENTS BETWEEN STE SCHOLASTIQUE AND PICKERING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek the unanimous consent of the House to discuss a matter of pressing and urgent necessity.

In view of the fact that a 10 per cent cost of living bonus is being granted in addition to the $2,200 per acre paid for land expropriated in Pickering, Ontario, whereas nothing has been granted in Sainte-Scholastique, I move, seconded by the hon. member for Shefford (Mr. Rondeau):

That a special committee of the House be created to study the enormous difference in the assessment of the cost of living bonus between those who are being expropriated in Sainte-Scholastique and those in Pickering.

Mr. Speaker: The House heard the motion of the hon. member. Under Standing Order 43, the motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion of the hon. member cannot be put.

SUGGESTED COMMITTEE STUDY OF THE HOUSE CONSIDER DIFFERENCE IN LAND VALUES BETWEEN PICKERING AND STE SCHOLASTIQUE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. André Fortin (Lotbinière): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to discuss an important matter.

In view of the fact that $300 million have been provided for the expropriation of 18,000 acres of land for the development of the Pickering airport, while only $125 million have been provided for the purchase of 88,000 acres of land at Sainte-Scholastique, I move, seconded by the hon. member for Shefford (Mr. Rondeau):

That a special committee of the House be appointed to consider that enormous difference in the assessment of the purchasing cost of lands at Pickering and at Sainte-Scholastique.

Mr. Speaker: Order please. I suggest to the hon. member for Lotbinière that in moving a motion just introduced by another hon. member, he does not comply with Standing Order 43. I have already asked the House whether or not there was unanimous consent.

The House has indicated its refusal to give unanimous consent and it is in that sense that I believe it unfair that hon. members ask the Chair to put the same motion again.

SUGGESTED COMMITTEE STUDY OF DIFFERENCE IN RENTS BETWEEN PICKERING AND STE SCHOLASTIQUE—APPOINTMENT OF SPECIAL COMMITTEE SUGGESTED—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. René Matte (Champlain): Mr. Speaker, although I take your comments into consideration, I would like in turn to move, pursuant to Standing Order 43, that since a yearly rent of $2,000 is being charged to the former owners of Sainte-Scholastique as against the yearly rent of $1 plus taxes being charged to the former owners of Pickering, Ontario, I move, seconded by the hon. member for Shefford (Mr. Rondeau):

That a special committee of the House be appointed to consider that matter of the difference in the assessment of rents in Sainte-Scholastique as compared with those at Pickering.

Mr. Speaker: I must point out to the hon. member that there is here a clear case of abuse of the Standing Orders of the House and that this motion will not be put to the House.

Mr. Caouette (Charlevoix): Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: The hon. member for Charlevoix (Mr. Caouette) rises on a question of privilege.

Mr. Caouette (Charlevoix): Mr. Speaker, since it is unfair to present motions one after the other under Standing Order 43 concerning the Pickering problem, may I point out to this House that the way the people of Sainte-Scholastique are treated is also unfair?

Oral Questions

[*English*]

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

TABLING OF ANNUAL REPORT FOR 1972-73

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I wish to table in both official languages the annual report for 1972-73 of the International Development Research Centre.

* * *

[*Translation*]

CANADIAN NATIONAL RAILWAYS

TABLING OF ANNUAL REPORT FOR FISCAL YEAR 1972

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, pursuant to Standing Order 41(2), I am pleased to table two copies in both official languages of the Annual Report of the Canadian National Railways Securities Trust for the calendar year 1972.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INQUIRY AS TO GOVERNMENT MEASURES TO CONTROL RETAIL PRICES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister concerning the shocking 2.3 per cent increase in the wholesale price index, an increase which will no doubt be reflected in due course in retail prices. Does the Prime Minister now propose to institute any direct and comprehensive measures to hold the line on retail prices? I ask this question in view of the fact that the subsidization program announced by the Prime Minister on Tuesday did not contain any such measures, and in view of the emphasis which the right hon. gentleman places upon the importance of timing.

Right Hon. P. E. Trudeau (Prime Minister): The figures referred to by the Leader of the Opposition obviously reflect a situation which existed a month or so ago, and it is because the government was aware of this situation and conscious of the hardship being caused to the Canadian people that we have taken the double series of measures which I have had occasion to announce in and outside the House.

* * *

FOOD PRICES

BREAD—INQUIRY AS TO GOVERNMENT ASSURANCE FROM BAKERS OF NO FURTHER PRICE INCREASE

Hon. Robert L. Stanfield (Leader of the Opposition): The answer being "no", I should like to ask the Prime

Minister a further question. Bearing in mind the increase in the price of bread which has taken place in recent days, and in view of the assurance given by the right hon. gentleman in the course of his presentation on Tuesday, has any firm undertaking been received from the bakers of bread in Canada that there will in fact be no further increase in the price of bread in October? Has any agreement been reached with the bakers to suspend price increases and, if so, for how long have the bakers agreed to hold the line?

Right Hon. P. E. Trudeau (Prime Minister): The same type of question was asked yesterday, and replied to by the minister responsible for the Wheat Board. He indicated he would be informing the House as soon as possible of any final arrangement concluded with the Wheat Board to meet this problem.

Mr. Stanfield: The Prime Minister gave a firm assurance to the House on Tuesday that the increase in subsidy from $1 to $1.25 would prevent a further increase in price from taking place in October. Am I to understand he is now telling the House he is not in a position to say that the bakers have given a firm assurance, or that the government has entered into an agreement with the bakers to prevent a further price increase taking place? Is that the position?

Some hon. Members: Hear, hear!

Mr. Trudeau: I repeat, the minister responsible for the Wheat Board informed the House yesterday of the answer to this question, and unless my memory is inaccurate he also informed the House that he had received such an assurance from the bakers.

Some hon. Members: No.

Mr. Drury: Yes, he did.

Mr. Stanfield: May I ask the Prime Minister a direct question, seeking a direct answer?

Some hon. Members: Hear, hear!

Mr. Stanfield: Having made a firm statement in the House on Tuesday, can the Prime Minister now tell the House that the government has a firm agreement with the bakers that the price of bread will not be increased in the month of October, and that the government has a firm agreement with the bakers as to the duration of that agreement?

Mr. Trudeau: I do not have the exact answer.

Some hon. Members: Oh!

Mr. Trudeau: I don't know what all the excitement is about over there. I have been asked a so-called direct question but obviously members opposite do not want a direct answer.

[Mr. Stanfield.]

GRAIN

REQUEST FOR STATEMENT ON WHEAT SUBSIDY POLICY

Mr. A. P. Gleave (Saskatoon-Biggar): I should like to direct a question to the minister in charge of the Wheat Board. Since both the premier of Saskatchewan and the Leader of the Opposition in Saskatchewan have rejected the proposals made by the government as unsatisfactory, can the hon. gentleman inform us when he will rise in the House to place this policy on record and explain in detail how it is going to work to the advantage of either the producer or the consumer?

• (1440)

Hon. Otto E. Lang (Minister of Justice): I think it is very clear how it will work to the advantage of both. The firm price of $3.25 for sale of wheat by the Canadian Wheat Board to the millers assures that the cost of wheat in products consumed in Canada will not increase through this long-term period, and therefore the consumers will have that assurance and a lower price available to them now than would be available if prices were simply allowed to be tied to the world price.

On the other hand, from the point of view of the producer the assurance of this long-term price regardless of world prices in the future is extremely important. Producers generally have favoured long-term agreements in order that they have orderly pricing and in this particular case this is effective of course in relation to the domestic market which is perhaps one-eighth or so of the wheat sold but it does give him a price at the floor of $3.25 over what is supposed to be a seven-year period and that amount is higher than any price ever received for Canadian wheat except in the last few months.

REQUEST FOR TABLING OF AGREEMENT WITH WHEAT BOARD

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in light of the statement that the minister made in this House today and yesterday, will he now table in this House any agreement such as he described between the government and the Canadian Wheat Board or any Order in Council that has been passed instructing the Canadian Wheat Board along these lines and will he say whether either one of them is valid for seven years?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the exact steps for formally implementing this agreement or validating it will be put forward in due course and brought fully to the attention of the House.

* * *

FOOD PRICES

BREAD—INQUIRY AS TO AGREEMENT OF BAKERS TO MAINTAIN PRESENT PRICE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, having regard to the fatuous answer given to me by the Prime Minister, I think on July 26, when he said bread would go up only one-tenth of one cent, may I ask if

this is an indication of his expectation of controlling inflation? I should like to ask the Minister of Justice this question. How many representatives of the baking firms has he been meeting with and what was the nature of the verbal or other agreement that was made concerning the maintenance of the present price of bread during the next few months?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have had discussions both before and after the decision of several days ago. Also I went very carefully over the price increases which had occurred before that time. I was able to draw the conclusion from those discussions, and indeed I had the firm statement of representatives, that the price of wheat having gone from $1.95½ in the early part of July to the level of $3.17 by which time the major bookings were made for the month of September, that that fact, along with other cost factors resulted in the increase in the price of bread which has been recorded of about six cents, and if the price of wheat did not further increase, that should obviate a further price increase in bread for six months to a year. This was not, of course, in the nature of any iron-clad agreement—

Some hon. Members: Oh, oh!

Mr. Lang: —but rather a statement about ordinary pricing practices. Of course, in every way possible, as in the case of all other pricing matters, this is subject to review by the Prices Review Board if inappropriate price increases occur.

Mr. Diefenbaker: Mr. Speaker, I shall read what the minister said yesterday. This appears at page 6249 of *Hansard*. He said:

> Mr. Speaker, we had discussions with representatives of the industry . . .

And so on.

> . . . They also indicated that if the price of wheat were stabilized there ought not to be a further increase in the price of bread for six months or a year.

Is that correct? Is it correct that all that took place then was this: In their judgment without there being any binding arrangement, if certain things happened then there ought not to be an increase. Is that correct?

Mr. Lang: Mr. Speaker, the words the right hon. gentleman quoted accurately portray what did take place. The baking industry was not saying that if all sorts of things happened it would co-operate. They would not be in that position. We were speaking particularly about what had been done in relation to their recent price increase. I am not here to defend the justice or otherwise of the six-cent increase, but I do know that approximately three cents of it could have been attributed properly to the increase in the world price of wheat, and the portion of it that was allowed to be reflected in the price being paid by the millers, and that no additional price increase in relation to this product should be required because of the stabilization of the price of wheat.

In addition to that I was told that the price increase of six cents had included the usual cost increases up to that date, which I think were normal, and that as a result no further price increases should be required for up to six months or 12 months.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: The Chair will recognize the right hon. gentleman for a moment, and then I suggest that the Chair attempt to conclude the first round of questioning by going to the hon. member for Nanaimo-Cowichan-The Islands, the hon. member for Témiscamingue and then return to questions by the hon. member for St. John's East and others.

Mr. Diefenbaker: Mr. Speaker, I thought there were only two languages in this House, but now I find a third one.

Mr. Speaker: The right hon. gentleman will be recognized, but the hon. member for Saskatoon-Biggar has risen on a point of order.

Mr. Gleave: Mr. Speaker, in view of the lengthy statements by the minister and the lack of clarity of those statements, would it be in order to revert to motions so that he can put before this House in some detail the policy he has not been able to define up until now.

Some hon. Members: Hear, hear!

Some hon. Members: Agreed.

Mr. Speaker: The right hon. member for Prince Albert.

Mr. Diefenbaker: Mr. Speaker, if I understand the minister correctly there was no agreement but simply a declaration of the intention of the possibility that there would not be an increase if, if and if. The last portion of his statement yesterday is the most revealing. He said:

> I would count on the Prices Review Board to ensure that this is so.

What would the Prices Review Board do? How would it understand the minister explaining the incomprehensible in a way which cannot be understood?

Mr. Speaker: Order. Perhaps the question should be brief and the answer should be brief. It seems to me, in fairness to all hon. members, that we should try to get on more quickly. I apologize to the right hon. gentleman for interrupting him. I tried not to interrupt him or the minister who gave a lengthy explanation. I would hope that we could complete the first round of questions before the end of the question period.

Mr. Diefenbaker: Mr. Speaker, you will notice that the minister went on to explain about the pricing, the "ifs" and the work of this government in respect of prices. All this has no reference to the questions I asked. May I summarize it this way? Am I correct in suggesting the minister talked with some millers who told him that if certain eventualities took place, which we do not know are going to take place, then in that case while there would be no undertaking—

Mr. Speaker: I wonder whether we might try to bring the matter to a conclusion. Perhaps the right hon. gentle-

man should ask a question now, and then we would listen briefly to the minister.

● (1450)

Mr. Diefenbaker: I was trying to help the minister out.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I ask the minister this simple question, and he can answer it yes or no without all the equivocation and evasion in which he has indulged.

Some hon. Members: Question.

Mr. Diefenbaker: Is it now clear that there will be no increase in the price of bread as a consequence of the representations he has made and the statements made in reply thereto on the part of the millers? Is that clear?

Mr. Lang: Mr. Speaker, my answer is clear.

Some hon. Members: Oh, oh!

An hon. Member: You are through, Otto.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Otto ought to know more than that.

* * *

ENERGY

TEMPORARY FREEZE ON PRICE OF CRUDE OIL—POSSIBLE APPLICATION TO OTHER PETROLEUM PRODUCTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the right hon. Prime Minister and arises from his statement last Tuesday concerning, to use his own words, the price of petroleum products, including gasoline and home heating oil. The Prime Minister said, as recorded at page 6184 of *Hansard*:

> The oil industry will be asked to refrain from making further price increases affecting Canadian consumers before January 30, 1974.

In view of the statement by the Minister of Energy, Mines and Resources in the House yesterday to the effect that this temporary and voluntary freeze will apply only to the price of Canadian crude oil, may I ask the Prime Minister whether he can clarify what appears to be a glaring discrepancy and specifically indicate whether the temporary freeze will apply only to crude oil or whether it will apply, as he said in his statement, to the price of petroleum products including gasoline and home heating fuels?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman knows the price increases in the Canadian market during last year resulted from increases in the cost of crude both east and west of the Ottawa Valley line. The position we have put to the industry is that there should be no more increases in oil prices until parliament has had an opportunity to act in respect of the number of control mechanisms to which we have referred. As a result of that, there would really not be any justification for increases in the prices of crude, heating oil or gasoline.

[Mr. Speaker.]

I had an opportunity of indicating yesterday, in response to a question posed by an hon. member who suggested a retailer or retailers had increased the price of gasoline, that we exercise no control over the retail price through any legislation passed by this House. I would indicate that in the case of any general increase in the price by a group of retailers I would very much like to know the circumstances, as very clearly that is governed by the Combines Investigation Act and should be the subject of an immediate inquiry.

REQUEST FOR ASSURANCE CONSUMERS WILL RECEIVE BENEFIT OF PRICE FREEZE ON CRUDE OIL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, since members of this party support the idea of a freeze on the price of Canadian crude, I should like to ask the minister what steps he proposes to take to ensure that the benefits of this freeze will be passed on to the consumers of gasoline, home heating oil and diesel fuel as was promised by the Prime Minister in his statement of last Tuesday.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have the expectation that the request to the industry will be honoured and there will not be increases. As I have indicated, I cannot prevent any individual retailer from increasing his price, but I am fairly confident that the industry as a whole will honour the request.

Mr. Speaker: The Chair will recognize the hon. member for Nanaimo-Cowichan-The Islands on his last supplementary, after which the Chair will recognize the hon. member for Témiscamingue in appreciation of his patience and forbearance.

Mr. Douglas: Mr. Speaker, in view of the fact that 99 per cent of petroleum refining in this country is controlled by foreign-owned oil majors, and therefore they are selling crude oil to their own refineries and their own distributors, I should like to ask the minister whether he has had any discussion with the major oil companies to ensure that the freeze on the price of crude oil will reflect itself in stable prices for the consumers in this country?

Mr. Macdonald (Rosedale): Mr. Speaker, I have not yet had a response from all, but from the indications I have had at this point I think I can say that I am expecting the request for restraint to be honoured. In respect of individual retailers, as I have said, we are not in a position to control them, but I do expect that as a whole they will honour this request at all stages.

[*Translation*]

UNEMPLOYMENT INSURANCE

USE OF UNEMPLOYED IN HARVESTING WITHOUT LOSS OF BENEFITS—GOVERNMENT POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration.

Considering that people from the West Indies came to Canada to work in the crop fields—I have nothing against that—but considering also that the government pays their travelling expenses as well as their shelter expenses, would the minister consider inviting Canadians unemployed and on social welfare to work in the crop fields without losing their present benefits?

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, to correct one aspect of the hon. gentleman's preamble, the payment of transportation for offshore foreign seasonal workers is borne by the worker himself and the employer, and I can assure him we do not subscribe to the idea of picking up the cost of that, although we do the organizational and informational work at government expense. We are certainly recruiting from every place we can unemployed Canadians to fill these jobs. In fact, in southern Ontario we have supplied some 18,000 of the 36,000 workers who are there now, and we will continue to invite Canadian workers to take these jobs on every possible occasion.

[*Translation*]

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

We hear every day in the Montreal area on radio and television that apple, carrot, tomato and cucumber crops presently stand to be lost. Farmers are asking for manpower but the unemployed do not want to go because they fear they will lose their benefits. Could the minister not make exceptions particularly at this time of the year to allow those workers to receive their benefits while at the same time working at jobs offered by farmers?

[*English*]

Mr. Andras: Mr. Speaker, I think the Unemployment Insurance Act would be violated if we were to permit those receiving benefits to earn money beyond the top limit that is permissible under the act. In fact, if there are people on unemployment insurance who refuse to take those jobs under certain well-known conditions their benefits would, of course, be challenged.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I have a supplementary question for the Minister of Manpower and Immigration.

Since a good number of Canadians are holding two jobs at the present time and contributing to the unemployment insurance fund in both instances, does the minister intend to review the Unemployment Insurance Act or at least conduct a study of the matter in order that Canadians who have the heart to work at two jobs not be penalized?

[*English*]

Mr. Andras: Mr. Speaker, I do not think we would be disposed at this time to dictate to Canadians whether or not they can hold more than one job. That would have to be the subject of a great deal of examination.

If I may supplement my answer to the previous speaker, we are prepared to share with the provinces the transportation cost of Canadian workers to these agricultural locations he has described. In fact, this has been done in many cases where we pay 50 per cent of the transportation cost and the province pays the other half.

[*Translation*]

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

Mr. Speaker: The hon. member for Lotbinière on a point of order.

Mr. Fortin: Mr. Speaker, I feel that in answering the question, the minister misled the House, because Canadians who are seeking employment themselves are not remunerated by the manpower centre but only those who found a job through that centre. But Canadians who try to find a job themselves are penalized.

[*English*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the right hon. Prime Minister. In view of the fact that the statement made in the House on Tuesday by the Prime Minister will be about as effective in bringing down rising prices as was the budget brought down in the House by the Minister of Finance last February, as evidenced by the fact that the price of bread will continue to rise—

● (1500)

Mr. Speaker: Order, please. Perhaps the hon. member should now ask his question. He is obviously making a speech rather than asking a question.

Mr. Andras: On a point of order—

Mr. Speaker: Order, please. I believe we should try to make some headway. The minister is rising on a point of order. We would recognize that if every member asked a question that had a preamble to it, we would be unfair to other members waiting to ask questions. The Chair will recognize the minister on his point of order.

Mr. Andras: Mr. Speaker, I did not mislead the House. What I was trying to convey, and what I did convey, was that the Department of Manpower and Immigration, in conjunction with the provincial governments, paid 50 per cent of the transportation costs of workers from their home locations to agricultural centres; that is, for workers seeking jobs. I did not say we paid their salaries.

Mr. Stanfield: With all due respect, Mr. Speaker, that is not a point of order and the minister—

Some hon. Members: Order.

Mr. Speaker: Order, please. The Leader of the Opposition will appreciate, at the same time, that the point raised by the hon. member for Lotbinière was not a point of

order. I thought it would save time and we could move on as quickly as possible if I did not make a ruling on a dispute over facts being brought before the House by way of a point of order or question of privilege. Making such a ruling takes time; that is why I moved on quickly to the hon. member for St. John's East. I think that is what hon. members would wish the Chair to do. I now recognize the hon. member for St. John's East.

* * *

FOOD PRICES

REQUEST THAT PRIME MINISTER APPEAR BEFORE SPECIAL COMMITTEE

Mr. James A. McGrath (St. John's East): Mr. Speaker, it seems I must continue to rise, like the price of bread.

Mr. Turner (Ottawa-Carleton): You are pretty stale.

Mr. McGrath: In view of the fact that the price of bread will continue to rise, notwithstanding the statement made in the House on Tuesday by the Prime Minister, and in view of the 2.3 per cent increase in the consumer price index, I ask the Prime Minister if he is now prepared to appear before the Special Committee on Trends in Food Prices, in compliance with a majority vote of that committee this morning, to explain the failure of the government to cope with inflation.

Mr. Speaker: Order, please. The hon. member for Battleford-Kindersley.

Mr. McGrath: Mr. Speaker, on a point of order—

Some hon. Members: Oh, oh!

Mr. Speaker: I apologize to the hon. member for Battleford-Kindersley, who will be recognized in a moment.

Mr. McGrath: Mr. Speaker, I think I indicated by my patience that I had a very urgent and very serious question to direct to the Prime Minister. This morning the food prices committee, by a majority vote, called on the Prime Minister to appear before the committee to explain the government's policy on inflation, and more particularly his statement to the House on Tuesday last. My question is: will the Prime Minister appear before the committee?

Mr. Speaker: With respect, that is hardly a point of order.

Mr. Cullen: Mr. Speaker—

Mr. Speaker: Order, please. Perhaps we should forget about the question period, which does not appear to be producing very much except points of order and questions of privilege. Is the hon. member rising on a point of order?

Mr. Cullen: Mr. Speaker, what the hon. member says is true: a motion was passed in the committee this morning. I heard out of the hon. member's mouth that the procedure was to call the steering committee to consider the manner of inviting the Prime Minister. That is what I propose to do, and not by way of a question in this House.

[Mr. Speaker.]

Mr. Speaker: Order, please. The hon. member for Battleford-Kindersley.

* * *

GRAIN

WHEAT—INQUIRY AS TO DOMESTIC PRICE IN VIEW OF SUBSIDY BY GOVERNMENT

Mr. Norval Horner (Battleford-Kindersley): Mr. Speaker, my question is directed to the minister responsible for the Canadian Wheat Board. In view of the fact that the Prime Minister in his statement said that producers would receive a subsidy of $1.25 a bushel for wheat consumed in Canada, will the minister confirm that regardless of the export price, producers will receive $3.25 from the mills plus $1.25, making a total of $4.50 for wheat used domestically?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the long-term arrangement being envisaged involves a firm price of $3.25 at the floor and a payment from the treasury as long as the world price is between the floor and the ceiling, to make up the difference to the producer of that amount.

WHEAT—SUGGESTION THAT PRODUCTION COSTS BE CONTROLLED OR DOMESTIC PRICE ADJUSTED ANNUALLY

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact that the government's recently announced three-pronged attack on inflation was also part of a three-pronged attack against the west, I would like to ask him—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. I must remind hon. members that there are certain rules relating to the asking of questions. It seems to me that every question asked by hon. members is preceded by a preamble, an allegation or a statement. That is entirely irregular. I suggest to hon. members that they try to take this into account in asking their questions.

Mr. Yewchuk: Mr. Speaker, I ask the Prime Minister whether he would clarify an important matter pertaining to the price freeze on domestically used wheat which will result in lower incomes for farmers. Is the government considering ways and means to control production costs as well and, if not, will the price for domestically used wheat be adjusted annually to reflect costs of production?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am astonished that the self-appointed spokesman for the west says that an increase in family allowances and old age pensions is an attack against the west.

Some hon. Members: Hear, hear!

WHEAT—FREEZE ON DOMESTIC PRICE—NEGOTIATIONS WITH ONTARIO WHEAT PRODUCERS MARKETING BOARD

Mr. R. E. McKinley (Huron): Mr. Speaker, I wish to direct a supplementary question to the minister in charge of the Canadian Wheat Board. Is he negotiating, or has he negotiated, a freeze on the price of wheat for domestic use with the Ontario Wheat Producers Marketing Board?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, my colleague, the Minister of Agriculture, is having discussions along these lines.

* * *

FINANCE

DATE OF INTRODUCTION OF AMENDMENT TO BANK ACT TO ENABLE PROVINCES TO HOLD EQUITIES IN PROVINCIAL BANKS

Mr. David Lewis (York South): Mr. Speaker, I wish to direct a question to the Minister of Finance arising out of a policy adopted by the federal government at the Western Economic Opportunities Conference, in Calgary. The federal government agreed to amend the Bank Act to enable provincial governments to hold certain equities in provincial or regional banks. I ask the Minister of Finance how soon the House may expect the presentation of such an amendment to the Bank Act.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, when Premier Barrett put that question to me at the conference, I said I hoped to introduce legislation to that effect in 1974.

Mr. Lewis: Could the Minister of Finance indicate why it cannot be done earlier, say some time in 1973? Why the delay until 1974?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I do not know whether the hon. gentleman is acting as a principal or as an agent, but in any event I must have regard to the total parliamentary time available to the House.

* * *

[*Translation*]

AGRICULTURE

FEED GRAINS—REQUEST FOR BETTER PRICE FOR EASTERN FARMERS

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to put a question to the Minister of Agriculture.

Could he say whether he has any new policy to introduce in response to the growing number of requests from Eastern farmers for better prices for feed grain?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the feed grains program has been announced. We said that the program will be fully in operation by September 15 and we are still shooting for that date.

[*Translation*]

Mr. Latulippe: Mr. Speaker, I have a supplementary question.

In view of the importance that eastern farmers attach to their requests and since they also have resolved to hold a demonstration in Ottawa if the government does not act before September 15, would the minister say what measures he intends to take in order to prevent this demonstration?

[*English*]

Mr. Whelan: Mr. Speaker, we have informed them of what we are going to do. If they want to parade here and make a presentation, I have no objection.

[*Translation*]

FEED GRAINS—REQUEST FOR BETTER PRICE FOR EASTERN FARMERS

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a supplementary question for the Minister of Agriculture.

In view of the talks that have been held between the Quebec Union des producteurs agricoles and the Department, has the framework which will have to be set to ensure equity between eastern and western Canada been actually accepted by the Union des producteurs agricoles du Québec?

● (1510)

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, to my knowledge they had no objection to it and seemed in full agreement.

* * *

FINANCE

REQUEST THAT GOVERNMENT CONSIDER ACCELERATED WRITE-OFFS FOR AGRICULTURAL PRODUCERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance who has expressed the view that the best way to deal with food prices is to encourage production. In view of the fast write-offs and such measures granted to manufacturers to encourage production, does the minister propose to offer a complementary system of fast write-offs and fiscal inducements to farmers to encourage them to increase their production, particularly in view of the tendency of the minister in charge of the Wheat Board to freeze their prices?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, dealing with the preamble to the question first, the result of the corporate tax reduction is certainly having a paramount effect on the intentions of manufacturers and processors. They have raised their expectations by as much as 19 per cent for capital investment in the forthcoming year as a result of these reductions. As for the part of the question that relates to the farming community, that incentive applies to processors of both food and fisheries products.

Mr. Stanfield: Mr. Speaker, a supplementary question. In view of the minister's desire to encourage the production of farm products, and in view of his boasted success with regard to encouraging manufacturing production by this technique, is he prepared to apply this technique to encourage the production of farm products?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think it is implicit and explicit in the Prime Minister's statement of Tuesday that we are encouraging the production of food. The hon. gentleman is right, maximizing supply is one of the ways to beat the world commodity problem at the moment. By putting a floor under the price of wheat and instituting discussions with the provinces to stabilize farm prices, we will do more to encourage that than anything the hon. member suggests.

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HOUSING

MALVERN, ONTARIO, DEVELOPMENT—REDUCTION AND HOLDING OF MORTGAGE INTEREST RATES—GOVERNMENT POSITION

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, in the absence of the Minister of State for Urban Affairs I should like to direct a question to the Prime Minister. In view of the proposal by the minister in charge of the Ontario Housing Corporation to match any reduction by the federal government of interest rates on mortgages in the next phase of the Malvern development so that interest rates there may be held at a maximum of 8.75 per cent, will the Prime Minister inform the House whether he has received information from the Ontario government to that effect and, if so, what will be the response of the federal government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I apologize. As the hon. member only indicated that the question was for me in the dying words of the question, I will take notice of it and try to answer on another day.

Mr. Stackhouse: Mr. Speaker, I rise on a point of order. I indicated in the preamble to my question—if the Prime Minister is listening now, as he was not then—that I was addressing my question to him in the absence of the Minister of State for Urban Affairs. Perhaps I may repeat the question. In view of the proposal by the minister in charge of the Ontario Housing Corporation to match any reduction by the federal government of interest rates on mortgages for the next phase of the Malvern development so that interest rates there may be held at a maximum 8.75 per cent, and the advocacy of that minister that interest rates for public housing be held at that level, would the Prime Minister inform the House whether the federal government has received any information from the Ontario government to this effect and, if so, what will be the response of the federal government?

Mr. Trudeau: Mr. Speaker, I will inquire.

[Mr. Turner (Ottawa-Carleton).]

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR STATEMENT TO CLARIFY GUIDELINES OF NEW PROGRAM

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Minister of Manpower and Immigration. In view of the recent announcement of the new Local Initiatives Program, would the minister make a statement on motions to clarify the guidelines in view of the fact that there are some confusing interpretations of the program?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I hoped that the letter I sent, with all the kits and material, to all hon. members had clarified that matter, but I shall most certainly give that request and recommendation my consideration.

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IMMIGRATION

IMMIGRANT ADJUSTMENT PROGRAM—REQUEST FOR PROGRESS REPORT

Mr. Peter Stollery (Spadina): Mr. Speaker, my question to the Minister of Manpower and Immigration concerns the immigrant adjustment program which has been in operation for some three weeks. Can the minister inform the House of the success of the program and give some idea of the number of people who have applied to have their status adjusted?

Mr. Speaker: Order, please. Unless the minister can reply briefly, I would suggest to the hon. member that this is the kind of question which could be asked at the time of adjournment. The hon. member is asking for general information from the minister, and such a statement should be made on motions. If there is urgency, the question could be considered this evening at the time of adjournment.

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[*Translation*]

PUBLIC SERVICE

ALLEGED REFUSAL OF TREASURY BOARD TO MEET VETERINARIANS—MINISTERS' POSITION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the President of the Treasury Board.

Since the collective agreement of federal veterinarians working in Quebec expired June last, can the minister say whether it is true that the Treasury Board is refusing them any increase and if such is the case, does he intend to meet personally the veterinarians involved in order to avoid any action affecting meat inspection and control of animal diseases in Quebec?

Hon. C. M. Drury (President of Treasury Board): Mr. Speaker, I can assure the hon. member that the government does not expect any interruption of meat inspection. Negotiations are under way and I feel that they are progressing rather satisfactorily. As I have always main-

tained, it is not government policy to discuss terms of negotiations in the House.

* * *

[*English*]

INDIAN AFFAIRS

ECOLOGICAL STUDIES IN JAMES BAY AREA—EFFECT ON NATIVES AND ENVIRONMENT

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development regarding the recently announced $10 million ecological studies of the James Bay area. Can the minister tell the House whether these studies will deal with the possible displacement of several thousand Cree people who have lived in the area since time immemorial as well as dealing with the effects on the natural environment of the proposed hydro-electric scheme?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, these studies are made by the Department of Environment and I cannot give the hon. member a definite answer. I shall inquire of the minister involved and reply later.

* * *

[*English*]

ENERGY

TAPS TANKER ROUTE—INQUIRY AS TO NEGOTIATIONS WITH UNITED STATES ON ALTERNATIVES

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the right hon. Prime Minister. Can the Prime Minister assure the House that since we adjourned in July the government of Canada has entered into negotiations with the government of the United States with a view to persuading that country to cancel its plans to unload Alaskan oil at sites in Puget Sound?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to inquire what particular initiatives were taken in that period of time and perhaps the Secretary of State for External Affairs or the Minister of Energy, Mines and Resources could answer the question.

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MANPOWER

ADULT VOCATIONAL TRAINING—CLOSING OF CLASSES AT POINT EDWARD—ROLE OF PROVINCIAL DEPARTMENT OF EDUCATION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, a question for the Minister of Manpower and Immigration. Is the minister aware that ten classes plus instructors are to be closed and moved from the adult vocational training centre at Point Edward in Cape Breton? In view of the confusion surrounding this unfortunate action, may I ask if it is being brought about as a

result of instructions from the minister himself or officials of his department?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will have to take the question as notice. I am not aware of the information the hon. member has given but I shall look into it immediately and report to him.

Mr. Muir: Mr. Speaker, a short supplementary—

Mr. Speaker: Order, please. Perhaps the hon. member may have a supplementary and then I will recognize the hon. member for Lambton-Kent. After that we will have to call orders of the day quickly as we have gone beyond the question period.

Mr. Muir: Mr. Speaker, may I ask the hon. Minister, when he is investigating, if he would ascertain what part the provincial department of education is playing in this so that we will not be told by officials of that department in Nova Scotia that this problem belongs entirely to Bob Andras?

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HEALTH

POSSIBLE ESTABLISHMENT OF HEALTH CARE RESEARCH COUNCIL—GOVERNMENT POSITION

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is for the Minister of National Health and Welfare. In the past the minister has referred to the report "Health Care in Canada", a study prepared for the Science Council of Canada by Dr. Rocke Robertson. I should like to ask the minister if it is his intention to implement the recommendation to establish a health care research council and if so, when?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, these recommendations obviously have to be the subject of consultation and discussion with the provinces.

* * *

● (1520)

ENERGY

TAPS TANKER ROUTE—INQUIRY AS TO NEGOTIATIONS WITH UNITED STATES ON ALTERNATIVES

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the answer given in this House on Tuesday to the hon. member for Vancouver South by the parliamentary secretary to the Minister of the Environment, namely, that the government has not yet commenced negotiations for guarantees in connection with the delivery of oil at Cherry Point to avoid the Strait of Juan de Fuca route, can the minister advise the House when serious negotiations will commence? In other words, when will we begin to fight on this issue?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the officials of the United States government are very well aware of the statements made by me on this subject, by the Minister of the Environment and by the Minister of Energy, Mines and Resources. We are preparing for the kind of negotiations that will be necessary. It is a negotiation, and it is one in which I hope we can succeed.

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POST OFFICE

REPORTED POSSIBLE STRIKE OF POSTMASTERS—STATUS OF NEGOTIATIONS

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, my question is directed to the Postmaster General. As there are reports that the Canadian Postmasters Association will go on strike, what is the status of current negotiations between the Post Office and the CPA?

Hon. André Ouellet (Postmaster General): Mr. Speaker, I am pleased to announce that a tentative agreement was concluded this morning with the Canadian Postmasters Association; therefore I doubt that there will be a strike. I am very hopeful that this settlement will be ratified by the postmasters.

RURAL MAIL CONTRACTORS—REQUEST FOR STATEMENT ON RESULTS OF STUDY

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, my question is directed to the Postmaster General. In replying to the question I asked on June 18 the Postmaster General indicated that the representations on behalf of rural mail contractors had been under active consideration. Is the minister in a position to advise the House of the results of the review of the terms of rural mail contracts and the request made by myself and others on behalf of these contractors?

Hon. André Ouellet (Postmaster General): Mr. Speaker, the last time such a question was asked of me I said I was most anxious to act in order to adjust some contracts between the Post Office and many of our rural route contractors. I had to wait at the time for a settlement with the Canadian Postmasters Association. Now we have good news for the postmasters. I am very confident that I will be able to announce in a few weeks' time very good news for our rural route contractors.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Ottawa West and then call orders of the day.

[Mr. Leggatt.]

THE CANADIAN ECONOMY

REASON FOR ALLEGED PRINTING OF RATION STAMPS

Mr. Peter Reilly (Ottawa West): Mr. Speaker, my question derives from the line of questioning begun by my leader at the beginning of the question period.

An hon. Member: Which one?

Mr. Reilly: Which one? We have but one leader on this side of the House. But if we had two, we would have two more than hon. members opposite.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps the hon. member would ask his question. As hon. members know, we have reached the end of the question period. Questions should be asked quickly and answers, if any, given quickly. After this question I will call orders of the day.

Mr. Reilly: Mr. Speaker, I am directing my question to the Prime Minister, with all the respect that is due to him. Following his statement the other day that there was no shortage of food in Canada, I want to know why it has been necessary for the government to have printed, by a firm in Toronto, millions of ration stamps, including those applying to food and other commodities.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, could the hon. gentleman give me the source of this information, or substantiate it in some way?

Some hon. Members: Oh, oh!

Mr. Trudeau: If it is not a pure canard I will take the question most seriously, but I imagine it is either a figment of the hon. member's imagination or somebody else's.

Mr. Speaker: Order, please. Perhaps the House would consent to my recognizing the hon. member for Malpeque. I had intended to recognize him earlier. He has been very patient.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacLean: Mr. Speaker, may I ask the government House leader the usual Thursday question as to what business he proposes to bring before the House for the rest of this week and next week?

Mr. MacEachen: Mr. Speaker, we will continue in committee of the whole on the bill to amend the Old Age Security Act. This will be followed by second reading of the bill to amend the statute law providing for the payment of supplementary retirement benefits, which will be followed by the bill to amend the Family Allowances Act. My hon. friend is aware that there are number of allotted days to be dealt with, and I am considering calling such a day for Monday.

Mr. Yewchuk: Mr. Speaker, I rise on a point of order. I did not raise my point of order earlier because I wanted to expedite the question period. In his response to me the Prime Minister suggested that I was a self-appointed spokesman for the west. That was an erroneous statement. I was appointed by the constituents of Athabasca.

● (1530)

[*Translation*]

Mr. Speaker: I apologize to the hon. member for Bellechasse (Mr. Lambert), but I shall give him tomorrow the opportunity to ask the very important question which he doubtless intended to ask today; therefore, I shall recognize him during the question period.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

PROVISION FOR QUARTERLY ADJUSTMENT OF PENSION

The House resumed, from Wednesday, September 5, consideration in committee of Bill C-219, to amend the Old Age Security Act—Mr. Lalonde—Mr. McCleave in the chair.

On clause 1—"*Consumer Price Index*".

[*Translation*]

Mr. Rondeau: Mr. Chairman, Bill C-219, to amend the Old Age Security Act, now under consideration, is evidence that a bill can very well go through first, second and third reading in committee of the whole without being referred to a House committee. It is evidence that when the government wants to have a bill dealt with in a hurry, it is the first one to admit the inefficiency of committees of the House, because on account of the government control over these committees, the consideration of bills in these same committees has nearly never changed much to the original version of a bill. That is why almost all members are convinced that these committees are inefficient.

However, I appreciate this method of considering bills in committee of the whole, because it enables us to offer suggestions and move amendments.

This Bill C-219 to amend the Old Age Security Act has a praiseworthy intent in itself, but when put into practice it will be seen clearly that it is not the true solution to the problems of inflation and insecurity, because this bill will not solve the problem of inflation any more than all the other statements of the ministers, and specifically those of the Prime Minister (Mr. Trudeau), in view of all the false solutions that have been put to us so far.

On June 8, 1970, the federal government declared war on inflation through its then Minister of Finance, Mr. Benson, and after that through other ministers who have made similar statements that they were going to stop inflation.

Today, the legislation on old age security, providing especially for a quarterly adjustment of old age security

pensions to the cost of living, is tangible proof that the government has completely failed in its efforts to curb inflation. The government, through its Minister of Finance, announced with fifes and drums on June 8, 1970, that it would conquer inflation. It was fantastic, on June 8, 1970, to hear the cabinet ministers, and especially the then Minister of Finance, strongly and enthusiastically announce that the government would fight against and conquer inflation.

If I may, Mr. Chairman, I should like to refer to the very speech made by the hon. Minister of Finance, as reported on page 7817 of *Hansard* for June 8, 1970. I quote:

> Mr. Speaker, I would like to report to the House on the meeting of the Federal-Provincial Committee of Ministers of Finance and Provincial Treasurers in Winnipeg last Friday and Saturday.
>
> There were some significant developments during the course of this conference which have an important bearing on current economic conditions in Canada and which I would like to outline in some detail for the information of hon. members.
>
> In my remarks to the conference regarding the economic situation, I reminded provincial ministers that the fundamental objective of the federal government is to halt the inflationary spiral of costs and prices in order to pave the way for a return to the path of strong but stable growth.

Mr. Chairman, the Minister of Finance claimed that it was dramatic for Canada to announce to the Canadian public that the government had decided to conquer inflation. He further stated, and I quote:

> I want to make it perfectly clear that the federal government remains determined to break the back of inflation. We are hopeful that this further measure will prove effective, together with existing policies, in halting the cost-price spiral.

In September 1973, the government's drum against inflation is smashed in. It is not even heard any longer. The government has lamentably failed, unfortunately, in its Robin Hood fight against inflation. After hearing so much noise against inflation, many Canadians thought that the government had a really big gun to fight it, but today we realize that it was not even a slingshot.

The government has failed pathetically against inflation and the bill now under consideration admits; we have failed. We have failed to check inflation and we are now going to try to follow it. We do not know where it will lead us. We do not know where it is heading, but we are following it just the same. The government undertakes to lengthen every three months the scale of inflation by adjusting old age pensions to the inflation rate. At the present time, the government does not know what is the scale of inflation, but it is still ready to jump on it. The government is proving today that it did not know where it was going on June 8, 1970, that it does not know yet where it is going as concerns inflation, but it is still trying to go every which way.

Mr. Chairman, for the benefit of my hon. colleagues, I would like to repeat what I said on that date in this House on behalf of my party, in reply to a statement made by the Minister of Finance of the time concerning inflation. I quote from page 7822 of *Hansard*:

> Mr. Speaker, we are quite willing to see the Minister of Finance (Mr. Benson) and the government take steps to fight inflation and we recognize that the minister is sincere when he talks about his anti-inflation policy, but we have serious doubts as to the means he is taking to attain that goal.

First of all, we should get a clear understanding of what is meant by the words used.

I then went on to define inflation, because the government wanted to fight inflation. However, inflation means an increase in currency beyond the proportion of available goods—that is the definition given in the dictionary—and we are now witnessing inflated production costs.

This is completely different, and whatever you may think, the government with all its economists has not yet found the slightest solution to the problems of inflation in Canada.

And I said further on:

The present "inflated prices", a more appropriate description of the inflation the Minister of Finance would have us believe in, result from increased production costs. Before establishing . . .

And it was then that the Minister of Finance set up the Prices and Incomes Commission.

. . . the Prices and Incomes Commission, the minister should have appointed a commission to determine the causes of these "inflated prices", which would probably have made it possible to take more realistic action, more likely to correct the situation.

For example, a few years ago the government lifted all restrictions on interest rates on mortgage loans . . .

Mr. Chairman, one does not have to be a genius in order to realize that since the federal government, through its Minister of Finance, removed the ceiling on interest rates on housing loans, which was then 6 or 6¼ percent, the rate of mortgage loans in Canada now ranges between 10 and 11 percent.

● (1540)

It is very simple to see that when one pays 10 to 11 per cent interest on a mortgage, this automatically boosts the price of the rent. The same goes for the 11 per cent federal tax on building materials that the government has imposed and that it has never accepted to abolish after countless motions moved in this House to ask the government to do so. That is very simple to understand; the 11 per cent tax, the exaggerated interest rates are factors which have boosted costs and this has produced inflation. Instead of establishing a Price and Incomes Commission, the government should have analysed the costs or the causes of inflation in Canada. Today, the Minister of National Health and Welfare (Mr. Lalonde) has to try to produce a "gimmic" which every three months will gear pensions to the cost of living. He does not say—he does not know, I am sure—where inflation will lead him; he does not know what level inflation will have reached in six months or a year. But the Minister of National Health and Welfare undertakes today to adjust pensions on a quarterly basis so that senior citizens may receive quarterly benefits.

Mr. Chairman, once again—and I say this today as I said it when the Minister for Finance made a statement on June 8, 1970—the government will not succeed. Why? And the Minister of National Health and Welfare, who is here today, will not succeed because the government will base the quarterly increase in old age pensions on false data published by Statistics Canada concerning the consumer price index.

Mr. Chairman, I have absolutely no faith in Statistics Canada and its data and the government will determine

the price index on the data published by Statistics Canada to adjust the old age security pensions.

Mr. Caouette (Charlevoix): Lies!

Mr. Rondeau: Mr. Chairman, I would like to explain here the technique used by Statistics Canada to show that the hon. Minister of National Health and Welfare and the government are wrong in 1973 as they were June 8, 1970 in wanting to rely on an organization which is absolutely anti-scientific et incompetent. I specify: I know very well the methods used to prepare statistics in Canada.

Throughout the country, there are about 800 people who are busy one week a month visiting 30 or 40 families to establish unemployment statistics. They have to visit about eight families a day during six days, one week a month. Each is paid $2.20 or $2.25 an hour, plus 13 cents or 16 cents a mile if he holds an insurance policy for pleasure and business driving and he must visit the same family every month for six months. Six new households are visited every month and the six families visited consecutively during six months are left out. Mr. Chairman, it is a real joke when you see the same investigator, who came during six consecutive months, coming to ask once more to the same family if they are unemployed and how long, how many hours they worked during the preceeding week. Sometimes we are surprised that some householders, as I saw it myself in the country, set their dog on the investigator, fed up as they are to see him coming at their door during six consecutive months. This is when the investigator, tired as well of having called during six consecutive months at the same houses, sets up his own statistics in his car with figures he determines himself. As I said on February 11, 1971 on page 3315 of *Hansard*:

I know that the third month, when he returns to the same household after finding out at previous interviews that the head of the household was getting annoyed at always being asked the same questions, the investigator feeling embarrassed always having to ask the same questions and since he would run the risk of getting a more or less rude answer as on previous visits, he merely fills his IBM forms with the previous answers or puts in imaginary answers in order not to bother again the investigated household.

Mr. Chairman, I could also give you the technique through which these statistics are falsified. To go back to my quotation:

With such methods, it is stated that the number of unemployed has been computed in Canada. With figures arrived at in such a poor scientific way from a sampling of 30,000 Canadian households per month they talk then in this House, with great compassion, on the most serious problem now—unemployment—leaving aside what is less important for the government, the unemployed in this country.

The 30,000 households "investigated" for six consecutive months constitute about ½ per cent of all Canadian households.

If, during these so-called inquiries, an average unemployment rate of 7 per cent was found for households visited for six months, the number of unemployed recorded is multiplied by the ratio represented by the 30,000 households investigated out of a total of 5,180,473-odd Canadian households in 1966.

I have before me the last issue of the Canada Year Book, that is 1969, which is available to every member of this House. One can see there the number of Canadian households visited. . . . On which figure and which year does the Dominion Bureau of Statistics base the "guesstimated" number of unemployed in order to supply monthly statistics on the unemployment rate? How is it possible to believe that the figures published by DBS are correct

while, on top of all that I already mentioned about the production of statistics, they instruct the 800 investigators who are on the road for a week a month to visit rural districts where there are fewer unemployed, because a farmer who works on his farm in the winter is not unemployed? And in the summer, they take a sample of the unemployed in the cities.

In winter, the Federal Bureau of Statistics orders a census taken in rural areas, where there is no unemployment, and in summer, where unemployment is less intense, that is in the cities. I resume my quotation:

Mr. Speaker, let us establish statistics now with statistics. For instance, the 800 persons taking the monthly census each represent about 6,500 households, because there were 5,180,473 households in Canada in 1966.

How is it that the province of Newfoundland has 71 census takers while it has only about 96,632 households? Therefore, there are about five times too many investigators in Newfoundland since they should be 14 and not 71. Are those statistics serious? With such random statistics it is no wonder that the government is all the time probing and searching. The governments are very well represented by such bad statistics. Our statistics are a joke when we know the way they are made up . . .

Since Prince Edward Island comprises 25,360 households, it should have four investigators instead of nine, so there are five too many.

Nova Scotia, with 185,245 households, should be entitled to about 29 investigators. It has 54,25 too many. New Brunswick has 141,761 households and is entitled to 21 investigators. There are 43,22 too many or twice as many as it should have.

The province of Quebec with 1,389,115—

—in 1969—

—households would qualify for 214 investigators, but since it has only 153 it is short 60.

Ontario has 1,876,545 households, should have 289 investigators, has only 201, therefore it is short 87 if ratios should be taken into account to get accurate figures. Manitoba has 259,280 households and would be entitled to 40 investigators but has 47, that is 7 too many.

We find the best balance in the province of British Columbia. And I quote:

British Columbia had 543,075 households in 1966 and while it was entitled to 84 investigators, it had only 81. Therefore, it was short three. However, it is still in British Columbia that the best balance is achieved as concerns investigators.

Mr. Chairman, if I delve into the matter even further, I find that figures are discussed which mean absolutely nothing even within the provinces themselves. I continue the quotation:

And if I should pursue a little further my examination of statistics for the province of Quebec, especially those concerning unemployment in the city of Montreal, there, again, I will discover most interesting facts. For instance, in nine constituencies of the city of Montreal where unemployment is high, there are ten investigators. The constituencies of Hochelaga, Lachine, Bourassa, Laval, Saint-Denis and Saint-Jacques each have one;

It is a very simple matter: Statistics Canada applies the same policy at the provincial as at the federal level, that is, investigators are not sent out when there is unemployment, but are when there is no unemployment! In the Montreal ridings, when there is unemployment, there are no investigators, but in those ridings where there is some, there are investigators. And after that, we see hon. members in this House maintain their points stubbornly, quoting figures that are totally erroneous, meaningless. Now, to go back to the quotation:

All statistics on unemployment are the result, as I explained earlier, of a heap of figures established in a non scientific way, that the government may change when they see fit by ordering inquiries in sectors or areas suitable for hiring, so as to better disguise unemployment.

Mr. Chairman, as I was saying, the government, and unfortunately the Minister of National Health and Welfare (Mr. Lalonde), were going to base themselves on the consumer price index, on figures arrived at by Statistics Canada which are not and will not be any more serious than present labour force figures.

Mr. Chairman, I should also like to add that this proves that the government has not found the solution to the problems of inflation, any more than it has found that to the problems of old age pensions in Canada by maintaining them at the level—

● (1550)

[*English*]

The Chairman: Order. I regret to interrupt the hon. member, but the time allotted to him expired some minutes ago. I did, however, want him to be able to complete his argument with regard to the compilation of statistics. It is, of course, within the power of the committee to grant to the hon. member extra time as he enters into a new part of his argument. Is this agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Rondeau: Mr. Chairman, in concluding I move, seconded by the hon. member for Champlain (Mr. Matte):

That in clause 1, the words "Statistics Canada" be replaced by the words "a scientific private body of statistics".

[*English*]

The Chairman: Order, please. The hon. member for Shefford has sent the Chair a motion to the effect that Statistics Canada be replaced by a scientific board of statistics. The Chair has some question concerning the receivability of the amendment and is prepared to hear argument on the point at this time.

[*Translation*]

Mr. Fortin: Mr. Chairman, in support of the motion moved by the hon. member for Shefford (Mr. Rondeau), I should like to point out that in the committee of the whole, members have the privilege to move amendments to a bill.

Mr. Chairman, without referring specifically to Beauchesne's Parliamentary Rules and Forms or to the works of other commentators such as May, Bourinot or others, I will say that the purpose of the amendment is explained in clause 1 of the bill, and I quote:

""Consumer Price Index" with respect to any adjustment quarter means the average for that adjustment quarter of 10 the Consumer Price Index for Canada,—

Now we come to the crucial point, and I resume the quotation:

—as published by Statistics Canada under the authority of the *Statistics Act*, for each month in that adjustment quarter;"

We would like to replace that by the following words: "published by a private body of scientific statistics."

That means, Mr. Chairman, that we are not changing the purpose of the act, we are not changing through this amendment the spirit of this legislation; we do not intend either to give rise to extra expenditures.

Mr. Chairman, that means that this amendment is against clause 1, as a question of principle, namely that at present statistics are prepared by a public body.

The purpose of this amendment is very simple. It is a matter of replacing the federal body by a private one. That is why I refer to Beauchesne's Parliamentary Rules and Forms.

As we do not want to delay the debate, I shall refrain from giving references you know as well as I do, but since the purpose of this amendment is to replace a questionable organization called Statistics Canada, for the purpose of gathering basic statistics for the administration of the act by a private scientific body, so that the interests of Canadians are really respected, it is obvious to us that this amendment is in order.

Another reason for us to disagree with Statistics Canada—and this has nothing to do with procedure—is that if this body reflected more the policy of bilingualism in Canada, we would already be more inclined to look favourably on what it does. But since we are unable to obtain any information from this body or to get in touch with it except in English, we have even less sympathy with it.

Of course, this has nothing to do with procedure, but I should like to urge Your Honour to look favourably on this amendment because it would not result in additional expenditures; we simply want to have the right men in the right places.

[*English*]

Mr. Macquarrie: Mr. Chairman, I have been taken by surprise by this amendment. I am not clear concerning the body which the hon. gentleman mentioned. While this bill is anything but startling in its precision, I believe generally speaking one should strive in legislation for clarity concerning the sort of institutions we have in mind in carrying out a public trust. I wonder whether the hon. gentleman has a definition of this body which could be inserted in the right place in the bill. I do not want to use the amendment as a vehicle for either praising or blaming Statistics Canada, but I am sure it would be helpful to Your Honour and to the committee—it certainly would be to me—if we had a definition of the body to which the hon. member refers so we would know upon whom the responsibility would be placed in this matter.

Mr. Cafik: Mr. Chairman, in respect of the amendment presently before the committee, it seems to me it would be difficult for us to support the amendment in view of the fact that there is no such organization in existence which would be able to determine the consumer price index as is done now by Statistics Canada. I should like to point out to members of the committee that it seems to me this bill would be frustrated in its essential purpose, at least temporarily until such a body was set up, at being able to escalate, according to the consumer price index, the benefits to old age pensioners and recipients both under the OAS and GIS on the basis of increases in the cost of living. On that basis alone I would find it difficult to agree to this

amendment. In effect, it would destroy the bill at least in a temporary way until such a body was set up. That is not in any way a comment in respect of Statistics Canada.

In addition to that, we feel that the recommendation by the Governor General which accompanies this bill does not deal with this specific question but, rather, with the question of escalating the OAS and GIS payments; it does not deal specifically with Statistics Canada. For that reason also I respectfully suggest, Mr. Chairman, that the motion before us is out of order.

The Chairman: The hon. member for Charlevoix on a point of order.

[*Translation*]

Mr. Caouette (Charlevoix): I rise on a point of order, Mr. Chairman.

[*English*]

The Chairman: The hon. member for Charlevoix rises on a point of order.

[*Translation*]

Mr. Caouette (Charlevoix): With respect to the discussion going on, Mr. Chairman, the hon. member of the Progressive Conservative Party asked for clarification about the organization suggested by the hon. member for Shefford (Mr. Rondeau) to replace Statistics Canada. The parliamentary secretary suggests for his part that there are no organizations other than Statistics Canada to compile statistics. So, to clarify the discussion I would like to point out that all national food, clothing, petroleum producing corporations all year round commission statistical surveys from associations of economists in Toronto, Montreal and Vancouver and those same firms of statisticians or economists can be referred to by the federal government. We say that Statistics Canada through its formulation, its basic principles, its action or working methods does not produce reliable statistics. That is why we want a private association of firms of economists in existence from which the government could easily commission statistical surveys on the cost of living. If the parliamentary secretary is not aware of that all he has to do is ask, probably the fund raisers of the Liberal party, if big corporations can give him information on their statistical surveys which, in many cases, are a lot more specific than those made by Statistics Canada.

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

[*English*]

The Chairman: The hon. member for Lotbinière rises on a point of order.

[*Translation*]

Mr. Fortin: Mr. Chairman, on what has been said I would like, in reply to the hon. member for Hillsborough (Mr. Macquarrie) and for your information, to refer to paragraph (2) of citation 199 of Beauchesne's Parliamentary Rules and Forms which states:

(2) A motion is not irregular on account of its vagueness.

Supposing that this motion is vague, it is not a reason to rule it inadmissible. Mr. Chairman, it goes without saying that it is the prime responsibility of the government to obtain valuable statistics. We question the work of Statistics Canada. This is why our motion is positive. And citation 198 stipulates that a motion must be positive. This

is why I continue claiming that this amendment is admissible.

[*English*]

The Chairman: The hon. member for Shefford has presented a motion for the consideration of the committee which if accepted would mean that clause 1(1) would read in part:

"Consumer Price Index" with respect to any adjustment quarter means the average for that adjustment quarter of the consumer price index for Canada, as published by a scientific private body of statistics under the authority of the Statistics Act, for each month in that adjustment quarter;

The Chair has very grave reservations about the amendment in that it might involve an amendment to the Statistics Act which is not before the House or the committee at this time. I have a further reservation as to the amendment. I would draw the hon. member's attention to citation 246(3) of Beauchesne's Fourth Edition, where it is stated:

In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge.

With respect to the hon. member, I think his proposed amendment would be quite a departure from the recommendation of the Governor General, and on that ground would fail to meet the time-honoured practices of this House. For those two reasons, more particularly the second one because the Chair really does not know the ramifications of the proposed amendment in respect of the Statistics Act, I have to declare the amendment out of order.

[*Translation*]

Mr. Fortin: Mr. Chairman, on a point of order.

I shall be very brief. I would like, most seriously and sincerely, to thank you just the same—even though we are disappointed that our amendment was rejected—for having given us the opportunity of pleading its case. The right to do so was denied us, Friday, which is a pity. But now we see that the Chair is honest and objective.

[*English*]

Mr. Epp: Mr. Chairman, in rising to speak on clause 1 of Bill C-219, there are a number of points I want to present to this committee. Specifically, I wish to clearly point out what I feel are the shortcomings of not only the bill but also the solution which, hopefully, is to be brought about in relation to the financial position or purchasing position of our senior citizens.

As a result of clause 1 of the bill before us we will see an adjustment on the basis of calculations to be made quarterly in respect of the guaranteed income supplement, in the hope that with these increases pensions will keep pace with today's rapidly rising rate of inflation. This bill will cause indexing to be done on a quarterly basis, and I assume it is the government's intention that this will enable the old age pensioner to re-establish his purchasing power. Let me very clearly point out to the minister that all we are doing by this bill in respect of indexing is enabling the old age pensioner to re-establish his purchasing power in respect of a three-month period during which that purchasing power has been severely eroded.

In addition, we are taking for granted that if the purchasing power is indexed three months back to before the inflationary spiral occurred, this will be sufficient. I submit this is not the case and it is a fallacious premise on which to start indexing old age pensions or social security payments. Let us for a moment consider the financial position of many of our old age pensioners. During their working years all too often the remuneration received for their work had to be used for buying the necessities of life; they had no financial ability or opportunity to establish a voluntary retirement fund. Therefore such a fund simply does not exist for many of these people.

Furthermore, the Canada Pension Plan came too late for many of these people, in that they were not able to contribute to it and thus supplement their old age pensions and social security payments. If they were able to pay into it, they receive only the minimum benefits after a five-year period. In spite of these encumbrances, many of our senior citizens scrimped and saved through the years and were able to build a small nest-egg which in many cases represented their only financial security for retirement. This small financial resource was to give these people security, and today it is being callously eroded by the high inflation rate. This nest-egg is literally worthless today compared with its value at the time it was saved. So what is involved is not simply indexing old age pensions but dealing with the inflationary situation in which we find ourselves.

● (1610)

The greatest tragedy is not simply erosion of purchasing power but erosion of the security to which these people are entitled and which they should demand because of the contribution they made to this country. It is our responsibility to return that security to them. The old age pensioner is no benefactor of galloping inflation, neither is the consumer. There is only one benefactor and that is the government. Although the income of workers and corporations has risen, purchasing power has not risen. It has not kept pace. But up until now the government has taxed higher earnings even though those higher earnings have not provided an increase in purchasing power. As a result, the government has a surplus of funds and with its largesse can now say, "We will give the old age pensioners some money."

The government now says it will provide indexing of pensions on a quarterly basis, something it said previously was financially impossible, not to mention logistically impossible. Suddenly it has become possible. The government now is going to repay the old age pensioners with money it has already taken from them. While I support indexing of pensions, one clear fact remains; that is that this bill will not restore to old age pensioners the purchasing power they had last January. Not only do we need indexing of the pension; we also need a higher base from which to start. Only in that way will we increase the purchasing power of old age pensioners. We are not increasing the purchasing power of old age pensioners through indexing. It is to be hoped that that power will remain equivalent to what it is now.

The old age pensioner has become a pawn in what I believe is a very heartless political game. Yesterday, as recorded at page 6267 of *Hansard*, the hon. member for Vaudreuil said that on two occasions in the last year the government had raised the old age pension. I ask him and the government: where has the largesse come from? Why is there this magnanimity at the moment? It is clearly a reaction to a political situation that demands a solution. The government's answer is to index pensions—but is that a solution to the basic problem?

The basic problem is inflation. The government is saying to pensioners, "We will keep you in the same relative position but we will not cure the root of the problem of inflation." Will the old age pensioner be in a better position by virtue of the passage of Bill C-219 or will he still be the victim of inflation? The old age pensioner cannot financially protect himself as well as the active worker or corporation. It is our responsibility to protect him.

In reply to the hon. member for Vaudreuil, I submit that this is not largesse or magnanimity on the part of the government. It is a panic reaction after the government has made the old age pensioner a victim of inflation. We have all too often made the old age pensioner a pawn for political reasons, for election votes. Members on all sides of the House have been responsible for this. If votes were to be gained, pension increases were given. My political philosophy is such that I am not a proponent of increased government spending. I am not a proponent of simply handing out money when a crisis situation arises. But I want to place clearly on the record that a pension is not a handout: it is something one has earned.

In my opening remarks I pointed out that too many of our senior citizens did not have the ability or opportunity to establish a relatively independent financial position for themselves. As a result, they must rely on government. It is incumbent upon us to provide them with a pension on which they can live in dignity. Only in this way can they maintain dignity.

Even though we welcome this bill, what is needed is an over-all thrust at the root problem of inflation which affects every person in Canadian society. We are not simply faced with a rate of inflation to which people can become accustomed. Today we have runaway inflation. That is why the government must again adjust old age pensions. That is why the government must introduce an interim program to increase family allowances. It is because of the complete failure of the government's financial responsibility, to which the Minister of Finance alluded in his budget speech. The minister said that his budget would do two things—put more disposable income in the hands of consumers, and check runaway inflation. In placing this bill before us the government admits that those two statements are no longer true and possibly were never true.

If this bill is to be the thrust of the fight against inflation, at least according to the government, I point out it is not a prescription to cure an ailment. At best it is a shin-plaster to cure bone cancer. It is simply not enough to present this House with a pension indexing system to restore purchasing power to a level which was not adequate in the first instance.

I wish to present one or two views that the department should consider. I shall digress from the group 65 years of age and over. The group of people between 60 and 65 years of age has already been mentioned by a number of speakers. As I travel through my constituency I receive many complaints from people in this group. Often they have had years of hard, physical work and now simply are not capable of meeting the physical requirements of their jobs. But they cannot leave those jobs because if they do they cannot find alternative, suitable employment. They are locked into a very difficult situation.

● (1620)

Therefore I submit to the minister, even though it has been done before, that his department should seriously consider reducing the pensionable age to 60, especially in light of the rate of inflation today. Perhaps it could be done on the same basis as when the age was reduced from 70 to 65. It might be done as a voluntary pension so that when a worker removed himself from the labour market he would be entitled to it. In that case, hopefully, the jobs vacated would be available to people between the ages of 18 and 25 where there is the highest unemployment rate. Not only would this government be responding to the needs of our older citizens, but it would be showing that it does not want to react in panic when inflation strikes and that it is seriously concerned about the purchasing power of pensioners rather than just making political gain when the need arises.

I submit, as other hon. members have, that we must look again at the basic amount of the old age pension which often is the only protection of senior citizens. It should be increased; this is the only way to increase the purchasing power and financial power of our older people. I am not so naïve as to believe that the opposition can simply make suggestions without showing responsibility relative to the cost involved here. Naturally, the department would have to study the cost. But the government is well aware of its surplus revenue position and that revenues have increased sharply.

In conclusion, Mr. Speaker, I emphasize one point. Despite what we do with Bill C-219 to index the old age pension, and despite the increase in the family allowance to $12 in October, we must get back to the root problem. The root problem, and the reason we are here today, is inflation. We cannot simply continue giving subsidies, indexing and reacting quarterly when we have to in an effort to beat inflation and protect the consumer. That just will not work.

Before the federal government, the provincial governments or the municipal governments curb spending in areas which do not have as high a priority as the one we are discussing today—and I think all hon. members agree with the priority of old age pensions—some relief must be given to the consumer, more purchasing power must be placed in the hands of the individual. Every Canadian is looking to this government, not for more subsidies but specifically to ensure that our position in October, November, December and next year will not have to be adjusted again. They want to know that a positive stance has been taken and that our relative purchasing power has not been eroded but, rather, increased.

It is incumbent upon this government to look seriously at the problem in that perspective and to find a way that will enable everyone to enjoy a better quality of life without having to accept from the government a quarterly handout the money for which came originally from the taxpayers themselves.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I made an extended speech on this matter when we were at second reading and therefore I do not intend to take advantage of clause 1 to say it all over again. There are, however, one or two questions which I should like to put to the minister, and at some stage before we get through with clause 1 I should like to say a few words about the thousands of words used in this bill to try to say what it means.

My question to the minister follows the speech just made by the hon. member for Provencher. I was delighted to hear him take a strong stand for an increase in the basic amount of the pension but I think his statement would have been stronger if he had indicated a specific amount. As I said the other night, we think that the amount to go for now is $200 a month.

I should like to ask the minister what happened to that principle, that article of faith that he proclaimed before the committee on March 13 when he downgraded escalation on a quarterly basis as a means of enabling pensioners to catch up and instead said that he would prefer to see more frequent increases in the basic amount. Surely, Mr. Chairman, the minister who took such a strong stand does not feel happy about having to sit in the House during a couple of days of debate on a bill that is going to offer only a $5.30 increase for those who get the basic amount and only a $9.02 increase for single persons on the full supplement.

I take as the basis for what I am now saying to the minister not only my own speech of a couple of days ago but the speech just made by the hon. member for Provencher. I ask the minister why he did not come into the House at this time, in view of the tremendous pressure being exerted on our senior citizens, with something a lot better than this, namely, a substantial increase in the basic amount in keeping with his article of faith of March 13.

Since we are in committee of the whole I wonder if my friend from Témiscamingue would mind letting the minister answer my question.

Mr. Lalonde: Mr. Chairman, I have not changed my point of view on this matter. I think all around it would be preferable still; I feel that we should proceed by an increase in the basic amount rather than just escalation. At the time I made that statement, however, I would remind hon. members that we had not had the increases in the consumer price index that have occurred over the last few months. Maybe I was naïve, but I was certainly hoping that we would not see such a large increase in the consumer price index over the next few months. The events of the last few months have certainly required a re-evaluation of the situation.

As I said at the time, this change is going to cost between $1½ million and $2 million in additional administrative costs. This is not the solution I enjoy. I would certainly prefer to see this $2 million go to our senior citizens in increased benefits. It is felt, however—and I feel this—that in view of the recent increase in the CPI, the move to a quarterly escalation is the appropriate move at the present time.

● (1630)

The hon. member has referred to "only an increase of $5.30" for a pensioner on the basic pension. May I go to the other limit and refer to the couple on GIS: this represents an increase of over $17 a month, which is pretty substantial. If it does not make the people richer in terms of real benefits, it certainly will make sure that they are not hurt by inflation. That is the object of this bill.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I have one more question for the minister. I wonder if he would not like to reconsider what he just said. He said that maybe he was naïve in March. I liked him when he was naïve. Is not the fact that the consumer price index has gone up so much more than he thought it would actually an argument in favour of the principle he announced in March, namely, that the best way to enable our senior citizens to catch up is by more frequent increases in the basic amount?

Before he answers perhaps I might say that I was not leaving out anything, at least I thought I was not, when I indicated only two increases, the $5.30 a month for a single person on the basic pension only and the $9.02 per month as the maximum increase for single persons getting both OAS and GIS. The minister quite properly added a third figure and said that a couple getting the maximum under OAS and GIS would get $17.20 a month more. But that is for two of them and is only $8.60 a month for each person, which is less than the single person gets. Surely the minister cannot be proud of that.

Perhaps I should not push him too hard. He has already said he is not happy about this. Is it not a fact that the very substantial increase in the cost of living that the minister referred to is an argument for a substantial increase in the basic amount of the pension at this time?

Mr. Lalonde: Mr. Chairman, I would hate to disagree with the hon. member on this point. The fact that there has been a substantial increase in the cost of living requires a substantial adjustment that will take into account that increase in the cost of living. That is exactly what we are doing now. The matter of getting to our senior citizens a larger share of the gross national product or of federal government expenditures is an issue that is totally different from that to do with the cost of living. It is an argument saying that out of the money that is allocated in the social field we should at this time allocate again, in addition to the real increase that was granted as recently as within the last six months, another increase in real terms thus adding to the share that senior citizens of this country are receiving of the moneys allocated for social purposes. I do not need to recite all the arguments that have been made in this respect having to do with the level of moneys or social allowances paid under social assistance plans coming under provincial responsibility. The hon. member knows about them as well as I do.

There is also the question of family allowances that are administered by the federal government. I submit that the government moved last April and made plans for increasing the basic amount of family allowances over and above whatever adjustment was required for the consumer price index. At present we are making sure that there will not be any long delay between when an increase in the consumer price index takes place and when there will be an increase in actual pensions. As I said, by reducing this delay to two months the government has gone as far as it can go sensibly and realistically in the administration of the plan. The issue that members of the opposition, including the hon. member for Winnipeg North Centre, are raising is a totally different one. It has nothing to do with the consumer price index itself. This is taking care of increases in the cost of living.

The other argument was whether, in view of all the other demands being made on government expenditures in the social field, the next step should be another substantial increase in the allocation of funds to senior citizens. I am sure we can always find that what is being done is not sufficient. A few months ago the hon. member was recommending a basic pension of $150 a month. Now his party has gone to $200 a month, to catch up with the Social Credit party. I am sure that the Social Credit party before long will advocate $250 per month. I do not want to embark on that race.

I think I have answered the point raised by the hon. member. His point had nothing to do with the consumer price index. That is another argument.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, may I ask one more question, after which I shall yield to the hon. member for Témiscamingue. I recognize that the minister does not want to be involved in the race, as he says, between us and my hon. friends opposite. On the other hand, surely he does not need to lag so far behind.

My other question is this. I assume that, like all of us in this place, he saw the front page of the *Globe and Mail* this morning. That newspaper is a sort of daily bible here. It carried a story about the government having a $500 million surplus that it had not counted on. According to the story, only $290 million has been taken up. Did not the minister try to get some of the other $210 million for a further increase in the old age pension?

Mr. Lalonde: Mr. Chairman, I read the *Globe and Mail,* but do not trust it.

● (1640)

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Chairman, I shall not take up much of the time of the House but I should like to clarify a few points. A while ago, my colleague for the riding of Shefford (Mr. Rondeau) quoted facts concerning Statistics Canada which dealt with the percentages, 3, 5 and 5.3 per cent, etc. I think the government should order Statistics Canada not to make its surveys, for instance, in the field of prices, the day after Christmas or Easter because then there are special sales right across the country; instead, surveys should be made throughout the year. The same goes for unemployment in Canada. If we count the unemployed before Christmas or Easter, clearly there will be more before than after. Statistics Canada does seem to play the game of the government.

Now, Mr. Chairman, about Bill C-219, which provides that senior citizens can look forward to receiving $179.16 in October instead of $170.14 and that a couple where both spouses qualify for maximum benefits will see their monthly payments grow from $324.60 to $341.80.

Yesterday, the leader of the New Democratic Party (Mr. Lewis) talked about the advantages of having a minority government, saying that the New Democratic Party had asked for these things, that the NDP had asked for higher pensions, but he forgot to say that when we moved motions in the House to bring down the pension age to 60, to have the pension paid to the spouse, even if he or she had not reached 65, all members of the New Democratic Party voted against these motions. When we moved a motion to grant a pension of $200 a month to a single person and $350 to a married couple, the New Democratic Party voted against this motion. Today, they tell us: It is the New Democratic Party which asked for higher pensions.

An hon. Member: Whited sepulchers!

Mr. Caouette (Témiscamingue): Whited sepulchers, that is the right word.

Mr. Chairman, that is what they say, but yesterday, as we can read on page 6272 of *Hansard,* the hon. member for Sarnia-Lambton (Mr. Cullen), who was talking about the intellectual honesty of the members of the New Democratic Party, the socialist members, said, and I quote:

> The NDP is different when it forms a government from when it is in opposition. We have heard the NDP talk about $400 a month, but what does the NDP government give when it is in power in certain provinces? In British Columbia they suggest $250 a month is enough. In Manitoba it is $242 a month. In Saskatchewan it is $219, plus a 5 per cent increase announced in August which takes it to $230 a month. What is the highest figure in one of the richest provinces, British Columbia, where most of the money to be spent was raised by the Social Credit Party?

The NDP boasts of having increased pensions in British Columbia with the money left to it by the Social Credit when it came in power.

> —$250 a month. Half of that amount comes from the federal treasury.

Moreover, $125 a month come from— they have run away, Mr. Chairman. They cannot face the facts.

Mr. Chairman, they do not boast of having voted against all our motions. That is not all. In 1962—and I refer to the Liberals to whom I will give a dressing-down by the way—in 1962, during our electoral campaign throughout the country but more specifically in Quebec, the old age pensions amounted to $65 a month.

An hon. Member: True or not!

Mr. Caouette (Témiscamingue): We asked for $100 a month. The Liberals were laughing at us.

An hon. Member: They found it funny!

Mr. Caouette (Témiscamingue): It was funny! It could lead to inflation. The old people who were only receiving

$100 a month would have lost their children's respect. They were laughing at us, the Creditists, we were crazy.

Mr. Chairman, today the Liberals are introducing a resolution increasing that pension to $179.16.

Mr. Chairman, this will be reported in *Hansard* tomorrow. In 1973, that is 11 years later, the Liberals have become $77.16 a month crazier than they were in 1962.

We are asking a $200 monthly pension at 60 years of age because at 60 a man or a woman can no longer find employment. We all know that. At the present time we see a pensioner of 65 with a wife aged 61 trying to make both ends meet with $150 or $160 a month. If the mother asks for assistance, she is told: "You should apply for public welfare".

I have seen cheques of $1 a month addressed to a 61 year old mother of a family, as adjustment payment on a pension of $160. That made a total of $161. The social welfare added a dollar to get this total of $161.

Mr. Chairman, there are women of 55 or 60, mothers of familes in Hull and Ottawa who have to scrub floors at night in public buildings, even in Parliament buildings, because they don't have a pension that would enable them to live decently. If only they could have a pension at the same time as their husband.

Mr. Chairman, some young men would cheerfully do this type of work without much effort and they would be happy to have something to do. But no, women of 55 or 60, mothers of large families are compelled to work hard all their life, scrubbing floors in public buildings.

An hon. Member: And when they do, their husband's pension is reduced.

Mr. Caouette (Témiscamingue): That is true, Mr. Chairman. If they work at night scrubbing floors, the husband who is 65 years old has his pension reduced and is told: You are receiving another income.

Mr. Chairman, another hon. member had something to say yesterday. It is the hon. member for Saint-Hyacinthe (Mr. Wagner), a former Liberal. He nearly became a Créditiste but is now a Progressive Conservative. As we may read on page 6270 of yesterday's *Hansard,* he said and I quote:

> In any case, Mr. Speaker, this bill pertains only to those 65 and over. In support in that regard of my colleagues of the Social Credit I ask the government in the expectancy of a guaranteed minimum income for all, to refer to the committee of the House that whole question of the 60 and 65 year olds. Is this financially possible? What are the true objections? What are the statistics concerning this? How can this be interpretated in the various areas of this country? What decisions should be taken and can the budget warrant such a decision?

● (1650)

Mr. Chairman, the hon. member for Saint-Hyacinthe (Mr. Wagner) should have said: I support the request of the Créditistes, instead of: With the support of my colleagues of the Social Credit, I ask—

The hon. member for Saint-Hyacinthe never asks anything with our support! And this is so true that he voted against the amendments we moved. It is so true Mr. Chairman, that his own leader—

An hon. Member: Which one?

Mr. Caouette (Témiscamingue): The hon. Leader of the Official Opposition (Mr. Stanfield) has never talked yet of paying the old security pension at 60. He was asked about it in western Canada and he said: I will consider the matter. As he is not quick, he will not be quick about it.

Mr. Chairman, one must be honest, after all. Some Progressive Conservatives say one thing, others say the opposite, they do not agree, they are afraid to take position. The hon. member for Saint-Hyacinthe mentions the matter because he heard me speak about it in his riding. It seemed to register and he said to himself: In that case, I shall bring up the matter. However, when he proposes the payment of of a monthly pension of $200 at 60, as we are urging, he cannot get the support of his own leader. So, I call them jokers, hypocrits. It is as clear as that.

The New Democratic voted against our proposals and they said today: We are the ones who asked for higher old age pensions. Liars! They voted against our motions to this effect and the people of Canada know that the Crédistes are the first to have called for the payment of a monthly pension of $200, $350 for a couple, throughout Canada.

An hon. Member: At 60, and you support this?

Mr. Caouette (Témiscamingue): At 60! It is true, Mr. Chairman. I must give his due to the hon. member for Joliette (Mr. La Salle) who supported our motions, and now—

Mr. Olivier: He will support anything!

Mr. Caouette (Témiscamingue): The hon. member for Longueuil (Mr. Olivier), where is he? I do not see him.

An hon. Member: He never proposes anything.

Mr. Caouette (Témiscamingue): That is true. The hon. member for Joliette cannot support the hon. member for Longueuil since he never proposes anything.

Mr. Chairman, some people say that the hon. member for Joliette will become a Créditiste. I urge him to do so. As for me, I was a Liberal at one time, like those I see before me. Then, when I had enough, I at least had the heart to dump the Liberal party and go elsewhere. At that time, I became a Créditiste. I was fooled for a while, but I was not fooled all of the time. According to an old saying: "You can fool all the people some of the time, and some of the people all the time, but you can not fool all the people all of the time." This is not true!

Mr. Godin: Mackenzie King used to say that!

Mr. Caouette (Témiscamingue): You are right. It was the leader of the Liberal party, the Right Hon. William Lyon MacKenzie King, the father in spirit of all those before me, who used to say that. We should say the same thing. In any event—

Mr. Knowles (Winnipeg North Centre): He was a bachelor.

Mr. Caouette (Témiscamingue): The hon. member for Winnipeg North Centre (Mr. Knowles) tells me that he was a bachelor. He would still receive a pension of $179.16 a month under the new legislation.

Mr. Chairman, I am stating these facts to draw the attention of the House to the work that we have accomplished, and not only for electoral purposes. I congratulate the government—it had to do it—on having managed at least to give $341.80 to an aged couple. This is getting close to what we were asking for, that is $350. That $341.80 is not too bad. People aged 65 or more will do a little better with that.

But I deplore, on the other hand, that the government, the minister, has not introduced a legislation in favour of the sick, the crippled, the blind, the welfare cases. This morning, I received a letter—

An hon. Member: That is under provincial jurisdiction.

Mr. Caouette (Témiscamingue): True, but they should have convinced the provinces of that ten years ago.

An hon. Member: We pay 50 per cent.

Mr. Caouette (Témiscamingue): That is right. I received a letter from a mother from Saint-Jérôme; she has five children at home, pays a rent of $80 a month and gets $147 in welfare allowances, half being paid by the federal government. How can they believe that a mother with five children can live with $147 a month?

I am in favour of paying an old age pension of $341.80 for two people, but I should be in favour of paying a pension of $400 for instance to a needy mother with five children at home.

I ask the minister some questions; the minister answers with a smile, he is so kind, he is a good guy, he answers that Quebec is paying one half and we are paying the other. Quebec says: "We do not have our half, and if you do not have yours, well, we do not have it either! Then, the pension is not increasing!

Well, Mr. Chairman, it is very important to look after the invalid, the disabled, the blind and the welfare cases, not after thieves. Let us give them pension increases so that they can live properly.

Mr. Chairman, this was a matter I had to clear. My colleagues and I will support this bill; we shall try to have the age of eligibility for this pension lowered to 60. If the hon. Minister of Finance (Mr. Turner) will let go of the purse strings—he will ask for it? Fine! The day before yesterday, he told me that he would meet here, at the end of this month, with provincial representatives to discuss the possibility of lowering this age for the interested party and also examine the spouse's situation.

I hope the minister is taking notes of our requests; I do not want at all to get the credit for it, the minister will get it. We shall be satisfied with passing measures to improve the living conditions of the Canadian people as a whole.

[*English*]

Mr. McKinnon: Mr. Chairman, speaking to this bill I wish to deal mainly with the high cost of living. I then intend to make some remarks on the economy. Some members opposite would like to pretend that the package presented on September 4 was designed to curb or stop inflation. This is, of course, nonsense. Inflation is not caused by old age pensions being too low. It is not caused by retired civil servants receiving pensions which do not keep up with rising prices. The two bills, C-219 and C-220, will not affect inflation in the slightest. So let us not parrot the local headline writer who wrote "Government clamps down on inflation". Perhaps that headline in the Ottawa *Citizen* was the right length to fit the space available, but it would certainly mislead anyone naïve enough to assume that headlines refer to the stories upon which they are placed. These two bills are designed, I suppose, to render a temporary palliative to the sickness of inflation. They make no attempt to cure the disease, and to claim they do is about as truthful and realistic as to claim that aspirins cure cancer.

Let us consider the plight of three large groups in our society—those on fixed incomes, those operating small businesses and those workers who are not enrolled in powerful, multinational unions. First, take the position of those on fixed incomes, the pensioners. The government's plan is to allow inflation to go unchecked and raise pensions when forced to do so. The Minister of National Health and Welfare should have been ashamed to bring in this bill without apologizing to the elderly of the nation for the months of needless mental distress he caused them by his remark last May that he would not bring in quarterly adjustments because to do so would mean an administrative nightmare. But what else could one expect from this erstwhile grey eminence of the Liberal administration? In the meantime his department has been decreasing such things as grants for cancer research.

The Deputy Chairman: Order. I regret to interrupt the hon. member, but it being five o'clock it is my duty to rise, report progress and request leave to sit again later this day.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Brandon Souris (Mr. Dinsdale)—Post Office; the hon. member for Assiniboia (Mr. Knight)—Agriculture; the hon. member for Peel South (Mr. Blenkarn)—Labour Relations.

● (1700)

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notice of motions (papers), public bills.

PRIVATE BILLS

[*English*]

THE NATIONAL DENTAL EXAMINING BOARD OF CANADA

On the order:

Second reading and reference to the Standing Committee on Miscellaneous Private Bills and Standing Orders of Bill S-7, an act respecting the National Dental Examining Board of Canada—Mr. Railton.

Mr. Reid: Mr. Speaker, I rise on a point of order. The hon. member who has this bill in his name is not prepared to proceed with it at the present time. There have been discussions and I think there would be agreement to take notice of motion for the production of papers No. 88 in the name of the hon. member for Toronto-Lakeshore (Mr. Grier).

The Acting Speaker (Mr. Laniel): Hon. members have heard the suggestion of the parliamentary secretary. Is there unanimous consent that we consider at this time, and stand other items, notice of motion No. 88 as it appears on the order paper.

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

VETERANS AFFAIRS—REQUEST FOR COPY OF PROGRAM FORECAST OF DEPARTMENT, INCLUDING BUDGETS A,B,X

Mr. Terry Grier (Toronto-Lakeshore) moved:

That an order of the House do issue for a complete copy (including budgets A, B, X) of the Program Forecast (Program Review) by the Department of Veterans Affairs for the latest year for which parliament approved departmental expenditures.

He said: Mr. Speaker, the debate this afternoon in effect continues one begun last May 24 when a similar motion for the production of a program forecast for the Department of Industry, Trade and Commerce was considered by this House. I wish to be as brief as I can, bearing in mind that a number of points on both sides of the argument have already been made. I think it is worth repeating, however, that this motion for the production of papers has perhaps less to do with the Department of Veterans Affairs per se than it has with the principle of the need of hon. members for information upon which to base their judgment concerning the wisdom of expenditure proposals of the government.

I may say in passing that there are a number of similar motions standing in my name for the production of program forecasts for other departments. The debate is really about the kind of information available to members of parliament upon which they can come to some kind of informed and educated conclusion concerning the wisdom of the vast array of expenditure proposals put before them in the form of the main estimates, the blue book.

I noted when I last spoke on the subject that there seemed to be a general tendency on the part of governments of all political stripes to regard material produced within the public service as secret, confidential and not for the eyes of the public, the media or members of parliament. While I admit at the outset that certain kinds of documents, in the interest of the public service and in the interest of effective and fair government, perhaps ought not to be made available, my view is that this general tendency extends to almost any documents at the disposal of the ministry in the course of its arriving at proposals.

I pointed out at the time that the program forecasts would be of particular use to members of parliament in so far as they provide really three forms of illumination upon the process through which the ministry goes in arriving at its final expenditure proposals. I noted that program forecasts really fall into three categories. There is budget A, which is simply a forecast of expenditures in the current year for those programs undertaken in the previous year; second, budget B contains a schedule of the cost of new implemental programs which the ministry would wish to undertake; and, finally, there is budget X, which refers to the programs which, other things being equal, the ministry might be prepared to dispense with in order to obtain funds to proceed with new programs.

It seems to me that kind of information, perhaps in modified form, would provide members of parliament on all sides of the House with an insight into the type of considerations the ministry went through, and would save time and provide a good deal of valuable information to members in coming to a conclusion concerning the wisdom of the government's expenditures, which I need hardy tell this House run to many billions of dollars.

The ministry has at its disposal all the resources of the public service in the preparation of its estimates and programs, and so it should. But speaking as one member of parliament, I wish some of those resources, or should I say some more of those resources, were shared with the ordinary members of parliament on all sides. We are not asking for all the data having to do with the planned programs and budgeting system as suggested by the hon. member for York West (Mr. Fleming). I would be prepared to settle for some editing of the program forecast as it now stands, in order to protect the curious inner workings of the ministry and to prevent public servants feeling inhibited in making recommendations.

It may well boil down to the fact that what I would be prepared to settle for lies somewhere between what the government is now prepared to give us and what these motions call for. But I see great merit and great need for the provision of some information which would present members with a broader base upon which to come to a judgment without imperilling the government's budgetary system.

As the hon. member for York West said last May, the power to govern rests with the government. I cannot quarrel with that. But the right to grant or withhold supply is the most ancient right of parliament itself which was wrested from reluctant governments over the course of centuries. What I am asking for is more sound information on the basis of which parliament can grant or withhold supply. I am not talking about prejudging the conclu-

sions of the cabinet, as the hon. member for York West suggested. It is not a question of wishing to see the information before the cabinet and the ministry have provided their recommendations to this House. On the contrary, I am talking about information to justify and give reasons for those recommendations.

During the same debate last May, the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Breau), made some remarks on this matter which I feel should be repudiated. He said that the government does not need copies of the minutes of the NDP caucus meetings in order to make up its mind concerning policy. The analogy hardly stands up. I am not calling for the production of the minutes of the meetings of the Privy Council or of the cabinet, and therefore it is not analogous to suggest that the hon. member is doing me a favour by not asking for the minutes of the NDP caucus meetings.

What we are talking about is not an analogy between two parties but, rather, about the basis on which the government of the country forms certain conclusions and the basis on which parliament judges those conclusions. I think it does no service to the principles which we are debating here to exaggerate the request being made.

● (1710)

The hon. member for Gloucester went on to say that he did not understand why the hon. member for Toronto-Lakeshore should have trouble arriving at a political judgment as to which program should be voted for. But that is not the point. On the contrary, I am trying to get some information upon which I can form a judgment which is not purely dictated by political motives.

If you deny members of parliament information in respect of the dogma or ideology behind a program, you will have political judgments and nothing else. Surely members of parliament—I readily admit to being a very junior one—find ample time during the course of committee proceedings to put aside narrow political judgments and try to make some objective evaluation of the worth of a program. I have no difficulty in arriving at a political judgment, but I have some difficulty in arriving at an objective judgment in the absence of any substantial information upon which to make it.

The hon. member referred to evaluation reports which members of my party had asked for in the course of committee hearings during the winter. These evaluation reports, among other things, dealt with a program involving about $150 million undertaken by the Department of Industry, Trade and Commerce. We were told in the committee by the hon. member that these evaluations were being carried on, but we have never seen the evaluation reports. In the first place, I would ask why we have not seen them when the expenditure of so many million dollars rests on them and, secondly, I suggest that when we never see them we can perhaps be forgiven when some of us wonder if in fact they exist. The hon. member for Gloucester said that the NDP seems to be looking for independent evaluations. By all means let us have independent evaluations, but such an evaluation is not precisely the same thing as the program forecast asked for today.

[Mr. Grier.]

These reports are a part of the total, and it is an important principle to provide members of parliament with information on the basis of which they can make objective and sound judgments. We do our homework in the opposition, as I am sure the supporters of the government do, but the resources at our disposal, I think it goes without saying, have very real limitations. Faced with committees day after day and the need to judge the worth of programs day after day, it seems self-evident that in the government's own interest, if for no altruistic reason, it would make sense to provide us with more information.

The opportunities for scrutiny now open to members of parliament could be better used than they are. Again speaking as a very junior member of the House, I was not a member when the estimates were considered in committee of the whole, but I have been impressed by the opportunities for scrutiny which are available in committee although not on all occasions have I been impressed by the extent to which those opportunities have been utilized. I would concede to the hon. member for Gloucester that on many occasions these opportunities are largely utilized for purely partisan political purposes, but I believe that if more information were available there would be less of that and more objective evaluation of the cost of many government programs put before us.

I am willing to be quite realistic in attempting to meet the legitimate inhibitions and reservations expressed by members of the government to providing documentation of their eventual decisions. If it makes it easier not to insist on getting program forecasts, surely that is something that can be worked out. But the principle of the thing and the point of the whole debate is to urge upon the government the value and the wisdom of providing members of parliament with something other than the figures contained in the blue book and such other research information, very often of a partial nature, which they may be able to produce.

In conclusion, I know some government members have not yet had the privilege of finding themselves in the opposition and perhaps do not fully appreciate some of the difficulties involved. They may find it difficult to believe that an opposition member might occasionally be prepared to drop his partisan cloak and get down to brass tacks, in dollars and cents, about the internal financing of government programs. But believe it or not, I say through you, Mr. Speaker, to members opposite that is very frequently the mood in which an opposition member goes to committee meetings.

Time and again we find ourselves bereft of all but the scantiest information provided by a ministry. Whatever else we can pick up and use to substantiate conclusions, in the absence of the kind of information I am seeking, is very often dictated by political reasons alone.

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, I have tried to listen as carefully as possible to the remarks made by the mover the hon. member for Toronto-Lakeshore (Mr. Herbert) to find out why last May he failed to convince my colleagues from York West (Mr. Fleming), Vaudreuil (Mr. Émard) and Gloucester (Mr. Breau), of the merits of disclosing government long term plans. I was hoping that today he would take the time to give us all the

arguments he can muster to convince us that actually if the government made known the long term plans of the various departments, the Department of Veterans Affairs as well as the Department of Industry, Trade and Commerce and other departments, that would be beneficial to everybody. I fail to see any such benefit for General Motors or Chrysler as well as other industries which compete against one another and also stand to gain by keeping secret the main elements of their long-term plans.

In any case, Mr. Speaker, he mentioned with felt nostalgia I think the disappearance of a practice that formally existed whereby the committee of the whole examined most bills. Today, as one knows, the committee of the whole is only used for bills from the Department of Finance or others which call for the spending of public monies.

However, the fact still remains that each and everyone of us has the opportunity and advantage, if he wants, to attend, contribute to and participate in the sittings of various committees where, for example, the estimates of every department can be examined. Moreover, after the implementation of projects and programs everyone of us can, if he wants, attend the sittings of the Standing Committee on Public Accounts and check again on the activities of the various departments.

And so, the mere fact that the committee of the whole is not used to the same extent as previously, and also that long term programs of the various departments are not announced do not jeopardize the interest of Canadians, and Canadians do not miss anything by being unaware of those long term projects.

● (1720)

[*English*]

Nevertheless, Mr. Speaker, I take this occasion that is offered to me to speak of the Veterans Affairs Department, for many reasons. As you know, I participate in the debates of the standing committee, and it is a department I have very much at heart. I would like to present some information on the activities of the department.

In accordance with long standing practice, the government's spending proposals are presented to parliament before the commencement of the fiscal year in the form of the estimates' blue book, a document with which hon. members are quite familiar. Hon. members will appreciate that these estimates represent the end product of a great deal of effort by literally thousands of people in all departments and agencies of the government, both in Ottawa and in the many far-flung locations where Canada is represented.

Although the main estimates represent a relatively short-term spending plan, the dynamic nature of Canadian life inevitably gives rise to changes that affect the expenditure proposals contained in the blue book, with the result that supplementary estimates are often required to provide for changes made necessary by the constant search for a better life for all Canadians.

Hon. members will also realize that although the annual estimates present the government's short-term spending proposals, continuous planning is takingg place on a longer term basis in an effort not only to anticipate future needs but in an ongoing search for new and better ways of achieving objectives and allocating resources. One element in this continuing process is a procedure whereby approximately one year before the main estimates are tabled in parliament each minister puts forward his recommendations for changes in existing programs to improve service, increase efficiency and to meet new demands not currently being met. In the same manner, recommendations for new or substantially changed programs are submitted for consideration by his colleagues.

It is widely and correctly recognized that these various planning documents prepared within departments of the government are of necessity confidential papers. Indeed, I would refer hon. members to *Hansard* for February 28 of this year, at page 1747, when this same subject was briefly discussed arising from one of the notices of motion placed by the hon. member for Toronto-Lakeshore (Mr. Grier). At that time the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Breau) replied as follows:

Notices of motions for papers Nos. 87 to 114 are internal documents of a confidential nature and therefore cannot be tabled.

This is still the situation as it relates to the notice of motion now being debated. I would reiterate, however, that particulars of approved programs are made public in the form of annual estimates.

The Department of Veterans Affairs is a relatively senior department in terms of age. Few departments, however, have experienced so much change in as short a time as veterans affairs has in the last few years. Only six years ago, in 1967-68, the total expenditures of the department amounted to $399 million. The published estimates for 1973-74 amount to $480 million. Furthermore, although the current fiscal year is not yet six months old, it is already forecast that expenditures will exceed $540 million because of recent measures approved by parliament. That is close to a 40 per cent increase over the last six years.

The substantial change in current spending is due primarily to the passage of two pieces of legislation, Bill C-148, an act to amend the War Veterans Allowance Act which received royal assent on April 5, 1973, and more recently the adoption of Bill C-202, a piece of legislation which is truly a high-water mark in the history of veterans legislation and which resulted in major changes being made to the basis on which the rates of disability pension are determined. This latter bill received royal assent on June 28, 1973, and became effective on July 1.

It has been my privilege to serve as chairman of the Standing Committee on Veterans Affairs which has the responsibility of examining the estimates and draft legislation respecting the Department of Veterans Affairs. The Standing Committee on Veterans Affairs is noted for the non-partisan and co-operative manner in which it operates, and I know that hon. members will understand and excuse my pride in having had the opportunity to play a part in bringing about the legislative changes to which I have referred and which have done so much to improve the financial lot of disability pensioners and war veterans allowance recipients.

[*Translation*]

Mr. Speaker, I would like, if I may, to review briefly the measures adopted during the last few months for the

benefit of veterans. I do so for many reasons. As I said a short while ago, I have a very legitimate pride, because I have the privilege of chairing the Committee on Veterans' Affairs and also because, like you, Mr. Speaker, I have a certain feeling of solidarity towards my former buddies in the air force and those in the army and the navy as well.

And in a short period of time, Mr. Speaker, measures have been announced and implemented precisely so that our companions who fought with us and many of whom came back physically disabled be treated with a little more fairness and honesty.

[*English*]

I would like to deal first with disability pensions. Less than two and a half years ago the Pension Act was the subject of a comprehensive overhaul. The major improvements legislated at the time included the creation of the exceptional incapacity allowance, the clarification of the benefit of doubt clause, the introduction of special consideration for Hong Kong veterans, the establishment of a totally independent bureau of pension advocates, and the creation of the Pension Review Board. This landmark legislation which became law on March 30, 1971, resulted in increased benefits for veterans and their dependents and also opened the door to many thousands of others to apply for pension or to renew a previous application which had been rejected.

All hon. members will be aware of what has happened as a result of this opening up of the Pension Act. Many thousands of applications have been received and the Canadian Pension Commission has had to be expanded substantially in order to cope with the resulting avalanche of claims. I am happy to report that the backlog of applications, although still very substantial, has now started to diminish.

Although it is less than two and a half years since these major amendments were made to the Pension Act, it is noteworthy that the act has been further amended three times and that rates have been increased on four occasions. On April 1, 1971, basic rates were raised by 10 per cent. On January 1, 1972, and again on January 1, 1973, pension rates were escalated in accordance with a cost of living formula in order to maintain the purchasing power of the pensioner's income. Most recently, Bill C-202 was enacted on June 28, 1973, and this was truly a red-letter day in the history of Canadian pension legislation since the basic rate structure is now tied to the composite of five unskilled categories of public servants.

This change followed the recommendations of a joint committee of officials of the department, the Canadian Pension Commission and representatives of veterans' organizations and resulted in an average increase in basic pension rates of 24 per cent. It is estimated that the full year cost of this increase alone will exceed $50 million. No provision was made in the main estimates for this increase in pension rates for obvious reasons and, as a result, appropriate inclusion will be made in supplementary estimates to finance these increases.

The situation with reference to war veterans allowances has been equally dynamic and since April 1, 1971, the rate structure has been increased on four occasions, the most recent being April 1, 1973, when rate increases of $20.14 per month for the single recipient and $39.60 per month for the married recipient were granted. At the moment, the actual income ceiling for a single recipient is $2,293.68 and for a married recipient $3,926.52.

• (1730)

In addition, recipients age 65 and over also benefit from the regulation which exempts $15 per month, if single, and $30 per month, if married, of their old age security and guaranteed income supplement payments. Over and above these income values, recipients may now earn up to $1,000 per annum, if single, or $1,500 per annum, if married, without affecting their war veterans allowance payments.

There were other significant changes and Bill C-148 is one of them. They became effective on April 1, 1973, with the result that war veterans allowance has been changed from a means tested program to a modified income tested program. For example, the former limits on savings and personal property have been removed and the recipient will now be able to own his own home, regardless of value, without his allowance being affected. In addition, war veterans allowances, like disability pensions and old age security, will be automatically increased in accordance with changes in the consumer price index.

Although veterans affairs is considered a mature department with well defined and well established programs, I have attempted in my remarks to illustrate the rate and extent of change which has been occurring in the recent past. In many instances, these changes could be foreseen only in very general terms and I have indicated the extent to which supplementary financing will be required in the current fiscal year.

My remarks are not intended in any way to suggest that every effort should not be made to plan as carefully as possible, but merely to indicate how the best of plans are subject to unforeseen change or to timing which cannot be accurately predicted.

I have dealt with only two programs of the department, namely, pensions and war veterans allowances, since these have been the two most dynamic in recent times. In closing, I would like to mention briefly a study which is currently being made by treatment services on the long term effects of imprisonment on former prisoners of war in the European theatres of operations. This study, which is being made by Dr. J. Douglas Herman of Ottawa, is an attempt to determine if the hardships of incarceration in prison camps produced any identifiable or delayed action disabilities on those who were unfortunate enough to have been prisoners of war. What this study will reveal and where it will lead is, of course, not known at this time and I mention it merely to illustrate the type of research which conceivably could give rise to further changes in any one of several departmental programs.

I would like to speak at greater length on the programs for which the minister is responsible, but since I do not wish to encroach upon the time available to other speakers, I will terminate my remarks at this point.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, the motion we are dealing with asks for a complete copy, including budgets, of the program forecast of the Department of Veterans Affairs for the latest year for which Parliament approved departmental expendi-

tures. The hon. member who just spoke indicated that he is chairman of the Standing Committee on Veterans Affairs. He has done his best on that committee but I do not know why he was reviewing things that happened in the past. What we want to know about are the things that are going to happen in the future.

One of the most important of these came to light in the last couple of days when the old age security bill came before the House to provide for an increase of 5 per cent in the basic rate of pension, raising it by $5.30 and the OAS and GIS by $9.16. With the hon. member for Winnipeg North Centre (Mr. Knowles), I have been pressing the minister this past week to make those amounts exempt for those war veterans over the age of 65 who are receiving war veterans allowance. We have received evasive answers to the effect that they are going to be dealt with fairly, but unless we keep pressing this matter, nothing will ever happen.

Mr. Dupras: Oh, come on.

Mr. Marshall: I heard somebody say "oh, come on." Certainly I know that the Department of Veterans Affairs has done a lot of good for veterans and I have complimented the minister on this. But strangely enough, Mr. Speaker, in that great reef of documents that the Prime Minister read the other day there was not a word about the war veterans in our country. There are 900,000 of them and with their dependants the number climbs to three million, yet there was no mention of them until we brought the matter up in the House.

The government keeps bragging about what they have done for the veterans. They seem to forget, however, that in 1914, over 54 years ago, a commitment was made that the veterans of Canada in the first world war and subsequent wars would be looked after by the Parliament and the government of Canada. The government may brag about what has been done in the last two or three years but they should see the suffering of those veterans who are considered burnt out at age 60. If it had not been for the veterans of 1914-1918 and 1939-1945, a lot of us would not be here today trying to deal with the problems of the country and the 5,000 poverty-stricken Canadians who live in this wealthy nation.

The government should not be too smug about what has happened in the past but should be considering what can be done for those veterans who are in the 70 to 80 years of age bracket today who are not getting the benefit of the commitment that our predecessors made some 54 years ago.

I have to bring up one matter which disturbs me. If the chairman of the Standing Committee on Veterans Affairs thinks that the press is going to pay any attention to veterans affairs, he has another thought coming. The irresponsibility of the press is demonstrated by the ignorance of most Canadians regarding matters relating to veterans. I could stand in the middle of the House of Commons and do bayonet drill, but nobody would pay any attention because the veterans who built a base for this country 54 years ago are forgotten.

Mr. Dupras: That is not true, you know.

Mr. Marshall: It is true.

Mr. Dupras: Stop playing politics.

Mr. Marshall: "Politics" the man says. If there was ever any politicking it was in every word that came from him.

On a number of occasions I have told the Minister of Veterans Affairs that I respect what he is trying to do, but the fault lies with the government. It is just baloney to say that anybody is being political. I can only say that I hope the other notices of motion on this subject will not be treated in such a ridiculous fashion.

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) seems to think that because the opposition, by their right, have the opportunity to bring up such subjects as they wish in this House, it is all right to suggest that no thought is being given to the veterans in the legislation under discussion. This matter has been under active discussion, Mr. Speaker, certainly between myself and the Minister of National Health and Welfare (Mr. Lalonde) as well as the Minister of Veterans Affairs (Mr. MacDonald), to ensure that there will be the necessary legislation or order in council so that veterans will benefit from the increase in the old age pension. We hope this legislation will be passed by this House, effective in the month of October. I was surprised, having heard the Leader of the Opposition (Mr. Stanfield) ask a supplementary question, to hear the suggestion that we are playing politics. Surely the opposition is playing politics, as that question was an attempt to get on the record the suggestion that only the opposition ever thinks about our veterans.

● (1740)

Mr. Marshall: What happened last week, when I asked a question and got an evasive answer?

Mr. Herbert: I welcome this opportunity to participate in this debate, for surely there are all too few occasions when we can speak in general terms about the veterans charter and the way in which it has been and is being administered.

I consider that in certain respects Canadian veterans have been most fortunate. I believe that the veterans charter has been, and continues to be, the most comprehensive, constructive program ever developed for men and women who have placed their lives, voluntarily in most cases in Canada, at the disposal of their country in time of war. Indeed, they could be considered to be doubly fortunate, for the administration of that compendium of excellent legislation has been of an extremely high order. Dedicated public servants have given an imaginative, positive, humane and personal service to their clients, the war veterans and the widows and the orphans of those who gave their lives. Their efficiency and effectiveness means that we hear little about them. Like the water in a well or a good wife in a home, they are taken for granted as long as they fulfil their functions satisfactorily.

But we do hear, or read, from time to time suggestions that the veterans affairs portfolio is an anachronism; that with the last major war ending 28 years ago the ministry has outlived its usefulness and should, in fact, have been phased out years ago. Such statements are based on a pitiful ignorance of the veterans charter legislation and its

long-term benefits; and I want to take a few minutes in this debate to look briefly into the future of the continuing benefits and, to some extent at least, put the record straight.

First of all, just who are the veterans affairs clients, and how many of them are there? Canada still has approximately 900,000 veterans, most of them with wives and some with dependant children. The number of widows of fatal war casualties and of veterans is unknown; only the number of widows and orphans drawing benefits of one kind or another is known. Naturally, a large majority of the veterans are productive, self-supporting members of their communities, but are receiving benefits of one kind or another. Moreover, the last survivor of the 1885 Northwest Field Force died only about 18 months ago, and war veterans allowances are being paid to seven widows of members of that force.

"Old Soldiers Never Die—" goes the song, and a DVA welfare officer once added: "And their wives live even longer". Needless to say, allowances are still being paid to a relatively large number of veterans of the South African War and to widows of such veterans; and, of course, to those of World War I and, increasingly, of World War II. The same is true of disability and widows pensions, or compensation, to be more precise.

How long will these programs continue? It is hard to say, but a veterans affairs statistician, using standard life mortality tables, came up with a statistic a few months ago which stated that, assuming no more wars, the last disability pensioner would die about the year 2030. With modern science extending life expectancy, that prediction may look very conservative in a decade or so. The statistician did not even attempt to predict when the last dependant's pension would be paid. In other words, it looks as if there will be a group of public servants administering the Pension Act for more than half a century.

Obviously, the cost of a war does not stop when the last bullet or arrow is fired. Indeed, veterans programs only being when the servicemen and women exchange their uniforms for "civvy street" attire. That is when the expenditures for rehabilitation programs, medical treatment, home construction, pensions, allowances and so on begin. How effectively those programs are administered has an important bearing on the economic and social stability of the country; for those who have been good citizens in time of war are potentially even better citizens in time of peace, if they can be helped to make a satisfactory transition.

The rehabilitation of the World War II veterans was well done and was completed long ago. Naturally, they are the largest group of veterans we have now. Their average age is between 58 and 59. What of them in the future?

The majority of them, being still sound of mind and limb, are providing for themselves and their families. In the next ten years, however, there will be a certain percentage who will pass on and leave impoverished widows or will have to retire to economic conditions which will cause distress. Because of their service to their country, these people are entitled to the benefits of the veterans charter. Apart from these potential clients who are today healthy both physically and financially, there are about 150,000 World War II veterans and dependants receiving disability pensions or war veterans allowances, at a total annual cost of around $200 million.

Medical treatment, of course, is another major requirement for veterans, regardless of age. Nearly ten years ago the government of the day decided to transfer the DVA hospitals to responsible authorities who would agree to certain conditions regarding standards of treatment, employment of staff, etc. What is the current situation? At the end of last year there were more than 5,000 patients in eight hospitals and three veterans homes. More than half of all DVA patients are under what is really nursing home care. In plain language they are old folks just growing older. Obviously the problem is not decelerating.

It is difficult to engage and retain highly qualified medical staff to work in a strictly domiciliary or chronic care climate and the number of acute care cases is gradually diminishing. But the department is still committed to providing first class care for those they do have.

The hospital transfer policy was first implemented in 1966 by the transfer of Sunnybrook Hospital in Toronto to the University of Toronto, and later by the transfer in 1968 of St-Foy Hospital in Quebec City to Le Centre Hospitalier de l'Université Laval, and Lancaster Hospital in Saint John to the province of New Brunswick in 1972. These transfers have fully justified the validity of the premise which occasioned the government's decision.

There have been many other ricochet benefits to the Canadian community at large as a result of the pioneering done in the forties and fifties by DVA treatment services. For example, Lyndhurst Lodge in Toronto is probably the most up-to-date and efficient rehabilitation centre in the world for paraplegics and quadriplegics. This hospital is now operated by the Canadian Paraplegic Association but it was set up by DVA originally in 1945 for the 225 paraplegic and quadriplegic victims of World War II. By 1950, the rehabilitation of these veterans having been completed, it was turned over to the Paraplegic Association and since then more than 3,000 civilian patients have been treated and discharged from Lyndhurst and are, once again, leading reasonably normal lives and are productive members of society.

The prosthetic device division of the Department of National Health and Welfare is a direct successor to the prosthetic services set up by DVA after World War II for the Canadian veterans who had suffered the loss of limbs or eyes. Many of the supervisors and technicians in this service are former DVA employees who were transferred to health and welfare when this service was made available to the general public.

The research and development programs carried out primarily for the disabled veterans represented a major contribution to all disabled persons. Our comprehensive experience on veterans covering a period of over 60 years is available to medical science and is an invaluable source of research information, especially in the study of geriatrics.

● (1750)

Land settlement and home construction is another program that has been a boon to thousands of World War II veterans and their families. It is being phased out now, the

final application date for new loans being next March 31 and for all loans March 31, 1977.

However, these loans are for up to 30 years, which means that the administration of the Veterans Land Act will continue well into the 21st century. To illustrate, lending under the Soldier Settlement Act of World War I ceased in 1924, but there is still one outstanding account. We know that the Veterans Land Act took into account the lessons learned in the administration of its predecessor, but changes in the national economy and in the circumstances of the individual veterans and their families ensure that public servants will be required to manage the VLA loans until they are paid out.

The other large veterans affairs program is welfare services which provides, among other things, field services for the War Veterans Allowance Board. Obviously, those services will be required as long as WVA application are received and payments are made.

Perhaps equally important are the counselling services the welfare officers provide to their clients. These men and women know the various social and philanthropic services that are available in their particular areas and they are able to advise a veteran, a widow or an orphan in need of the services that will help them to cope with that need. Sometimes they act as a co-ordinator to ensure that the different resources available are utilized to the best advantage.

Usually, too, their standing in their communities is such that other agencies accept their recommendations without question when the need is immediate. That is a great advantage to veterans and to the dependants of veterans.

How long this special service will, or should, continue is unpredictable, but as veterans and their families grow older and life becomes more complex, their need for good advice and counsel is more likely to increase than it is to decline. That need will have to be met by an organization of qualified public servants.

What these remarks boil down to, Mr. Speaker, is the fact that the veterans charter provides many continuing benefits, benefits that will have to be administered for half a century or more. Obviously a point in time will be reached when a full-scale federal department cannot be justified for this purpose, but the functions will have to continue even though the administrative groups are branches of one or more other departments.

I hope these few remarks will put in perspective the outlook for veterans' benefits and will explain why it will be some time yet before the veterans affairs portfolio is likely to disappear, and several decades before the responsibilities it now looks after will have been fully discharged.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the motion before the House in the name of the hon. member for Toronto-Lakeshore (Mr. Grier) is one of 27 motions in his name that call for an expression of opinion on the right of parliament to see the program forecasts that are worked out by various departments of government. In no case does any one of these motions call for an examination of work done in the respective departments, but rather each of these motions relates to the principles of secrecy which the government continues to practice with regard to so many of its reports, papers and documents. However, since the hon. member for Labelle (Mr. Dupras), followed by others, chose instead to treat this as though it were a debate on veterans affairs in general, I wish to say just one word before Your Honour rules me out of order on the basis of what I have already said.

The hon. member for Labelle read from his prepared statement a sentence that I think was very important. He said that the $15 increase to individuals in old age security and guaranteed income supplement that was provided in 1972 was given special status for veterans 65 years of age or over. That special status is contained in an order in council which says that a veteran 65 years of age or over may exceed the ceiling in the War Veterans Allowance Act by $15. The hon. member also pointed out that in the case of a married veteran the figure is $30. There is nothing vague about that. It is clear and straightforward, namely that veterans who are 65 or over got and still get the $15 increase that was added to the OAS/GIS in 1972.

All that the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) and I are asking is for the same kind of clear statement with respect to the increase in OAS/GIS that will come in October.

I like the Minister of Veterans Affairs (Mr. MacDonald) very much, but it is not good enough for him to stand up in this House and say the government will take steps to see that the veterans get a fair deal. That is fine as a general statement, but until we know what it is, I will suspect that that means some kind of compromise, something less than we got in 1972.

I ask the hon. member for Labelle to go back to the minister and the department so we will have the very simple answer to the question asked by the hon. member for Humber-St. George's-St. Barbe, namely that there will be an order in council exempting the full amount of the OAS/GIS increase coming in October so the veterans will get the full benefit of that increase without any question.

Mr. Dupras: Mr. Speaker, I wish to inform the hon. member for Winnipeg North Centre (Mr. Knowles) that I take exception to the fact he mentioned I had a prepared text. As I have not mastered the English language, I like to have a text before me. I will show the same deference to the hon. member if he ever speaks in French.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I extend my apologies to the hon. member. I hope he will take the message I gave him to his minister.

Mr. Dupras: I will.

Privilege

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. NIELSEN—REFERENCE TO PRESS INTERVIEW GIVEN BY SOLICITOR GENERAL—RULING BY MR. SPEAKER

Mr. Speaker: Is it the wish of the House that the Chair give the ruling, which I indicated earlier today would be made at the first opportunity, in relation to the point of order which was raised earlier today?

Some hon. Members: Agreed.

Mr. Speaker: Earlier today the hon. member for Yukon (Mr. Nielsen) rose on a question of privilege relating to statements made by the Solicitor General (Mr. Allmand) in a press interview where questions were asked about a matter previously referred by the House to the Standing Committee on Privileges and Elections. The duty of the Chair is to rule whether there is a prima facie case of privilege that would make it possible for the hon. member for Yukon to put a motion of censure against the minister.

The hon. member made a well researched presentation to the House. He cited a number of authors and precedents which the Chair agreed to study before making a ruling.

I should apologize to hon. members. Looking at my notes, I feel it might be an imposition on the House to continue at this time. On reconsideration, perhaps the House might allow the Chair to postpone the ruling. I am thinking, in any event, about the absence of the hon. member for Yukon, and it occurs to me it might be a matter of courtesy to have him in the House when the ruling is made. So having read the introductory paragraph, perhaps I might continue when we reconvene at eight o'clock. Is this agreed?

● (1800)

Some hon. Members: Agreed.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Speaker: Earlier today, the hon. member for Yukon (Mr. Nielsen) rose on a question of privilege relating to statements made by the hon. the Solicitor General (Mr. Allmand) in a press interview where questions were asked about a matter previously referred by the House to the Standing Committee on Privileges and Elections. The duty of the Chair is to rule whether there is a prima facie case of privilege which would make it possible for the hon. member for Yukon to put a motion of censure against the minister.

The member made a well researched presentation to the House. He cited a number of authors and precedents which the Chair agreed to study before making a ruling. I have now had an opportunity to do so and am prepared to give hon. members the doubtful benefit of the knowledge gained from a study of the precedents cited by the hon. member as well as other precedents and citations.

Hon. members will appreciate, I am sure, that it is an extremely serious matter for the House even to debate a motion of censure against one of its members. My information is that the last instance of such a debate goes back to 1925. This in itself is an indication that the House does not lightly embark on such a course of action and the Chair itself must exercise extreme caution before allowing such a debate to take place under the guise of an alleged breach of parliamentary privilege.

The submission is that statements made by a member outside the House, contrary to an order of the House about matters currently under investigation by a committee, constitute a breach of privilege and a contempt of Parliament. In support of his claim the hon. member has quoted citations from Beauchesne, Bourinot and May. He refers firstly to a citation in Mays 17th edition at page 119. The author states that:

> ... by the ancient custom of Parliament no act done at any committee should be divulged before the same be reported to the House.

However, this principle clearly deals with in camera sessions and I find it difficult to relate that citation to the present circumstances. The hon. member has cited Bourinot's 4th edition at page 474. The same principle is quoted to the effect that it is a breach of privilege to publish the proceedings of a committee before they are formally reported to the House. As I have said, this citation does not appear to be applicable to the present case.

The hon. member then refers to Beauchesne's Fourth Edition at page 429. The author quotes the following doctrine:

> The House of Commons has disciplinary powers over its members, and a member who abuses his privilege of speech may be punished, not merely by suspension from the service of the House, but by imprisonment or expulsion from the House, or both.

It should be pointed out, however, that this is an excerpt from a report of a committee of the British House dealing with the British Official Secrets Act. Again I suggest respectfully that the citation is not applicable to the case now before us.

I think the essential procedural point to be considered is the distinction between statements made in the House and statements made outside the House. It is a well known rule that members ought not to comment in the House about proceedings in a committee until such committee has reported to the House. This cannot possibly apply to statements made outside the House. The distinction is consistent with the ruling made by the Chair yesterday during the question period, and consistent also with a ruling made by Mr. Speaker Macnaughton on June 5, 1964. On that earlier occasion the Chair agreed with the argument put forth by the hon. member for Yukon that, when breach of privilege is claimed, a distinction must be made between words spoken in the House and words spoken outside the House.

The hon. member has referred finally to a citation found in May's 18th edition at page 132, as follows:

> It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any member or officer of such House in the discharge of his duty, or which has

a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence.

Were the words spoken by the minister an attempt to impede and obstruct the work of the committee? Was the making of a statement outside the House contrary to the order of the House? In fact, the order of the House was that the Standing Committee on Privileges and Elections consider a matter raised by the hon. member for Kingston and the Islands (Miss MacDonald). The suggestion is that the action of the House ordering that a matter be considered by a committee is at the same time a prohibition that it be commented upon otherwise than in committee.

I have been unable to find any precedent to support this suggestion. In my estimation the citation from May's 18th edition dealing with the impeding or obstruction of House business contemplates situations that are entirely different from that which is now under question.

The examples given by May of misconduct which may be treated as a contempt of Parliament refer to misconduct of strangers, misconduct of counsel, misbehaviour on the part of witnesses and disobedience to rules or orders of either House. Examples of such disobedience are given as the refusal or neglect of a witness to attend, the neglect to make a return, neglect to withdraw from the House when so directed, disclosure of proceedings in secret session. All these are clear examples of malfeasance which, in my view, do not appear to be relevant to the circumstances of the case before us.

The contention of the hon. member, based on a citation from Eric Taylor's "The House of Commons at Work", is that a breach of privilege is also a contempt of Parliament. This may be so but the fact remains, however, according to long established practice, that a *prima facie* case of breach of privilege must be first established.

The hon. member has indicated the terms of the motion which he has proposed to put to the House. It reads as follows:

That the conduct of the hon. member for Notre-Dame-de-Grâce in publicly making material allegations and purported statements of fact on the 5th September, 1973 relevant to the matters of a question of privilege that were referred by order of this House on the 4th September, 1973 to the Committee on Privileges and Elections for study and report, the said committee not having so reported, is a violation of that order and a contempt of this House, and therefore this House censures the conduct of the member for Notre-Dame-de-Grâce.

The purport of the proposed motion is very clear. The hon. member would ask the House to censure an hon. member for a statement made outside the House. On the basis of this motion itself I must find that there is not a *prima facie* case of breach of parliamentary privilege.

Mr. Nielsen: Mr. Speaker, I may say without hesitation that I accept the ruling. The Solicitor General (Mr. Allmand) is rather fortunate, for if the House had debated the matter it might have involved the ultimate penalty of imprisonment. He probably would have been on temporary leave of absence in any event.

Mr. Speaker: I must say that the Chair is very grateful to the hon. member for Yukon for so graciously accepting the ruling, which I appreciate is perhaps difficult in the circumstances. I am grateful to the hon. member and appreciative of this gracious acceptance of the ruling.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT

PROVISION FOR QUARTERLY ADJUSTMENT OF PENSION

The House resumed consideration in committee of Bill C-219, to amend the Old Age Security Act—Mr. Lalonde—Mr. McCleave in the Chair.

The Chairman: The discussion is on clause 1. The hon. member for Victoria.

Mr. McKinnon: Mr. Chairman, when we rose at five o'clock for the consideration of private members' business I had just made the point that it ill becomes the Minister of National Health and Welfare to act as if this government is a great blessing to Canada while at the same time his department has been decreasing research grants for cancer. This kind of action comes from the same coalition that exists in my province of British Columbia on a federal-provincial basis.

In that province the federal Liberals and their soulmates the NDP can share the blame for the fact that elderly citizens requiring domiciliary care, while in theory coming under government medical coverage, in practice find no coverage and must instead pay $400 to $600 per month for private hospital care. Then we have here displayed—and the party to our left must accept 31/140's of the responsibility for the actions of this government—is an uncaring and callous attitude toward the reality of the desperate situation of those elderly people. The party to our left, the NDP, must accept its responsibility for the situation in that they have maintained these incompetents in office.

Let us look at the situation in respect of the small businessmen or women. They are caught in price squeezes which unfortunately are all too often caused by the ineptness of the Liberal-NDP coalition government. I spoke to a feed mill operator last week in Victoria; he had phoned me to say that his feed grain supplies of grade 3 wheat could not be delivered. The Canadian Wheat Board had supplies of this grain in the elevator in Victoria but could only sell it at export market prices. The net result was that this feed mill proprietor faced an increase in cost of feed grain from $138 a ton to $200 a ton in one day.

The Chairman: Order, please. I hestitate to interrupt the hon. member. The discussion has been pretty far ranging, but generally it has been within the field of welfare and security. I hope the hon. member will be able to bring his remarks more closely to the subject of the bill.

● (2010)

Mr. McKinnon: Mr. Chairman, I only strayed to the extent that these bills were produced as a package, as I

understood it, to combat inflation, and I thought I might be allowed the same discretion or leeway granted the Prime Minister in introducing this as a package. It is extremely difficult for me to speak of the plight of the elderly citizens in my constituency without speaking about the price of the food which they cannot afford to eat. I trust I will not be too bitter in my condemnation of the government for its fiscal policy, but it is very difficult today to separate the need for increased pensions from the cost of food, economic fiscal policies and their effect on the high cost of living. In any event I will attempt to follow your suggestion, Mr. Chairman.

I have heard many quotations from the speech of the Minister of Finance when he introduced the budget on February 19. No doubt it will be a favourite mine for other parties for some time when they are looking for nuggets of bad guessing, inappropriate forecasting and general lack of understanding of the economy, present and future. My favourite quote is when the Liberal Minister of Finance, to applause from their coalition partners, said:

> This budget is aimed at reducing inflationary pressures in Canada—

Later in the same paragraph he said:

> It is equally essential to reduce the squeeze of rising prices on family budgets and the erosion of the hard-earned savings in Canada.

I realize there will be arguments from my colleagues as to which of all the inexact, inappropriate claims made in that budget speech is the furthest removed from what has since transpired, but the statement I have just read is my choice. It displays an almost unbelievable lack of prescience. This Minister of Finance, who considers a $500 million miscalculation to be of no consequence, boasts of the Canadian dollar keeping even with the United States dollar, but neglects to mention the disastrous decline of the U.S. dollar that he is so proud to accompany in its plunge. This is rather like the first mate on the *Titanic* boasting that he is not going down any faster than the captain.

Some hon. Members: Hear, hear!

Mr. McKinnon: The fiscal and economic policies of this government have brought on inflation, and inflation brings on labour demands for higher wages. What else could be expected to happen? Inflation robs the workers of part of their pay cheques and this brings on labour unrest. As this government seems unable to devise any legislation that even approaches the problem of inflation, I predict continuing labour unrest. The cause is inflation, and in its customary fashion this NDP-Liberal coalition ignores the cause and legislates against the effects.

I have done a little reading on the matter to see what some learned people have thought about inflation. I noted that Bernard Baruch said:

> Inflation—the most important economic fact of our time—the single greatest peril to our economic health.

I came across another quotation I should like to read from an author one might find unusual to be speaking about inflation. Hemingway said:

> The first panacea for a mismanaged nation is inflation of the currency; the second is war. Both bring a temporary prosperity; both bring a permanent ruin.

Perhaps the one quotation that would be the most popular in this House with this minority government would be this quotation from a prominent world statesman of another country who said:

> In country after country, it is becoming inconceivable that national economic policies will be developed which do not contain, as a significant element, some form of incomes policy.

That was stated by Harold Wilson, former Prime Minister of Great Britain and leader of the Labour party who could hardly be said to be anti-labour. He said that in any advanced country today the number one problem is containing inflation.

I now wish to speak about the spirit of uncertainty in the economy. Rapid changes in prices, interest rates, performance of stocks, etc., have created uncertainty, apprehension and even fear among investors, businesses and the public at large. Businesses are hampered in making any long-term decisions by the great uncertainties in both supply and demand.

The average Canadian is confused and worried. Can he buy a home for his family with interest rates in excess of 10 per cent? Will his savings be rendered insufficient for his needs through the ravages of inflation? Will he even be able to provide for the present with the prices of the very basics of his existence, food, clothing and shelter, soaring?

This is what Canadians at every level face—uncertainty and apprehension about the future. The pensioner is worried as he sees the purchasing power of his cheque shrink; the worker is worried as he sees his hard-earned wage shrink in value each time he goes to the store; the businessman is worried about increased wages and higher interest rates; and the producer is worried about the costs he faces for machinery, labour and supply.

Who is to blame? Can the farmers be blamed for increased production costs and for their desire for a reasonable standard of living? Can the manufacturers be held utterly responsible for the greater amount they must pay for raw materials and labour? Can the worker be blamed for demanding raises when the real value of his wage is sinking? Finally, can the pensioner be blamed for wanting to live with a modicum of dignity? I suggest the answer to all these questions is no. The disarray into which the present government has allowed the Canadian economy to slide is the reason for the uncertainty and fear.

Granted, a very few producers may be taking advantage of the fears of shortages to make a fast buck. A very few companies may be gouging the consumer with unwarranted price increases, just as a very few groups may be making unjustified and inflationary wage demands. But to single out any one of these as the cause of the economic problem is to live in a dream world. It is like looking into the problems of the 19th century for solutions to the problems of today.

What is our government doing? The government has produced this hodgepodge legislation in answer to the very real problems of the Canadian economy. These measures are gravely deficient, however, in that they treat only the symptoms and not the disease. This does not mean our party opposes the measures, for it is foolish to

oppose anything that will relieve some of the suffering of the sick patient. We do support these specific moves because in some small way they will relieve some of the immediate suffering of some Canadians.

However, we in the Progressive Conservative party advocate and seek to do far more for the Canadian people. Our economic policies are aimed at treating the disease. They are not like the Liberal's bandaid policy for treating symptoms, and I might say that they are not like the NDP policies either. The main difference between the NDP and the Conservative party is that the Conservatives want all Canadians to be rich and the NDP want all Canadians to be poor.

We propose a comprehensive freeze on prices, profits, wages and interest rates. Immediately this is suggested in this House we hear questions about the United States freeze. Let us look at it for a minute. The area right now that seems the most disastrous is that in respect of beef prices. Freezing beef prices has caused grave shortages in meat supplies. Why is this the case? I suggest it is because the freeze was not comprehensive. It was, like the Liberal policies, a bandaid approach. To expect producers to be able to supply beef at fixed prices when the cost of feed grains was soaring was absurd. The inevitable result was that suppliers withheld beef rather than sell at a loss.

It was because Nixon treated one symptom and rejected any comprehensive approach that his policies failed. Now we are presented with this Liberal bill which advocates exactly just such a bandaid approach. It too will get no closer to a solution to the basic problems which plague our economy.

Many advanced industrial nations face inflationary problems today. These are frequently blamed on the rapid rise in the international prices of raw resources of food, minerals and oil. The government often points this out and claims that these pressures are beyond its control, and it claims to be blameless for Canada's inflationary woes. A government leader gets up and says: "Every western industrial country has serious inflation; what can we do in face of such international forces?"

● (2020)

For a moment it sounds plausible. But this excuse will not work because what they never mention is Canada's unique position among advanced industrial nations. Canada produces and exports vast quantities of those raw materials which are soaring in price internationally. Canada should be repaying the benefits of those increased prices, not suffering from the ravages of inflation.

If the government had the wisdom and the courage to look at the whole Canadian economy, to introduce dramatic, sweeping and intelligent resource and industrial policies for Canada, then all Canadians would benefit. These stop gap measures will never cure anything. The Progressive Conservatives want comprehensive controls so that the Canadian economy will no longer continue its erratic, leaderless wanderings. We want this to enable us to implement real policies directed at leading the Canadian economy to a period of stable development which will benefit all Canadians. Under proper leadership Canada, with her raw resources in ever increasing demand, can create jobs and prosperity without the uncertainties of inflation for decades ahead. The Progressive Conservatives can provide such leadership, and we have sought the opportunity to do so.

Finally, Mr. Chairman, I will, of course, vote for the bill. It is the least that can be done to relieve the distress placed upon our senior citizens by the mismanagement of the government. I would much rather be voting for measures that would do something to remove the cause, and I hope that some day this government or its successor will attempt to deal with the root cause, which is inflation.

Mr. Beattie (Hamilton Mountain): Mr. Chairman, I would like to begin my remarks on this bill by heaping a bit of praise on the head of the Minister of Agriculture, that great friend of the bedevilled and exploited Canadian consumer. I salute the hon. gentleman for being the first minister on the government benches to admit publicly, some time last May, that he was aware that Canadian consumers are angry about the continuing rise in the cost of living.

That was a very astute observation on the part of the minister, and it could lead to any number of things. To begin with, even at this late date he might send notes to his colleagues informing them of the seriousness of the situation. He might even let the Prime Minister in on his secret.

Last night the Minister of National Health and Welfare went to great lengths explaining what a great boon the Liberal government has been for the Canadian people since 1963.

Mr. Knowles (Winnipeg North Centre): It was the night before that.

Mr. Beattie (Hamilton Mountain): The night before that? Then I am sure you were here. Obviously the minister had been doing a little research on the subject. I wonder would he tell his colleagues that the crippling spiral in the rate of increase in inflation began immediately after the Liberals took over government from the Conservative party in 1963? At that time the rate of increase in inflation was 1.2 per cent. Last year, from April 1972 to April 1973, the rate was 6.6 per cent. That could come as a surprise to the Prime Minister and other ministers, but these are facts and figures that cannot be disputed.

In 1962 food prices increased by 1.8 per cent over the previous year, with a Conservative government in power. Last year, under this government, the increase was 7.6 per cent. God knows what it will be this year.

The Minister of Agriculture also said that Canadians have been spoiled by low food prices over the past 20 years. But here he was wide of the mark. Canadians were spoiled by low food prices up to the time the Liberals assumed office in 1963, but from that time on it has been quite a different story.

If the government really does have contingency plans to deal with inflation, as it implies it does, then it is time that it unveiled them. Inflation is not a contingency, it is a fact. Inflation is a cruel fact. I say to the minister and his colleagues that the Canadian consumers are not only angry over the situation but are completely fed up with the government's lack of concern and lack of action.

A great deal has been said in the past about the pros and cons of capital punishment, but I have not heard anything said about the punishment of capital as a result of the government's failure to come to grips with inflation. Punishment of capital is the erosion of savings, pensions and other assets accumulated by Canadians who plan for their years of retirement.

Punishment of capital downgrades one of the most precious of virtues, resourcefulness. It is a process that penalizes people who are frugal, people who save their money and invest in securities or property that they feel will ensure them a reasonable return on their investments. These are people who want more than a bare existence from their government in their years of retirement, and who are willing to plan and work to that end.

Let us see how these people fare under our present government and compare their situation with that of people who do not save, plan or invest, but who elect to retire on old age security pensions and supplements. In the first place they pay taxes on their earnings before they take out a few dollars to put into a savings account, an investment or a retirement plan. Then they pay taxes on the earnings on their savings through the years, and on dividends. Then, if their income is over a certain figure after retirement, in spite of the fact that they have been paying taxes on that same money all their working lives, they pay more taxes on their retirement income. But what is even worse, their income is further reduced by the total of the increase in inflation during the years that they have been working.

This is real punishment and it has a crippling effect on initiative and resourcefulness. It puts a heavy price on human endeavour, and it has the effect of denying Canadians a fundamental right, the right to guarantee themselves a comfortable old age by their own efforts.

Anyone who saves and invests for retirement is further penalized by receiving a lower pension than those who do not plan their retirement income. They receive the basic pension, while a person who does not have any other source of income receives the pension and a supplement. I am not opposed to giving the supplement, Mr. Chairman, but it is necessary simply because the pension itself is not adequate. No better evidence can be presented than the fact that the government recognizes the necessity for a supplement when the pension is the only source of income.

When this aspect of the problem is added to the immediate effects of inflation on Canadian consumers, especially on those consumers in the lower income brackets, then it is obvious that we cannot wait any longer to come to grips with inflation. I simply cannot understand why the government does not at least try some of the proposals put forward by the Official Opposition. I am thinking specifically of temporary wage and price controls proposed by the Leader of the Opposition. The government has tried almost everything else, and it is not good enough for it just to state that controls will not work if they have not even been tried. It is obvious that we will have to take drastic measures in the fight on inflation, and we must begin now. The Food Prices Review Board does not seem to be getting anywhere. When we consider that the government has not put forward any other concrete proposals to deal with the problem, Mr. Chairman, then we also have to consider that we are going to use up still more precious time debating and procrastinating.

[Mr. Beattie (Hamilton Mountain).]

• (2030)

In the meantime, consumers cast about for their own solutions. Unfortunately, while such things as meat boycotts are well intentioned, they do not have any lasting effects. Prices continue to spiral; some retailers and wholesalers are taking this opportunity to gouge consumers and blame it on inflation, and even innocent retailers who are caught in the squeeze are being maligned.

The government's spokesman on the issue, or one of them at least, calls on Canadian consumers to rejoice in the fact that they have been spoiled by low food prices and to take the present inflationary spiral in their stride. Naturally, Mr. Chairman, it is easier for the government to let ministers interpret the situation in their own way and give the public slanted versions of the seriousness of the problem than to take positive steps to get inflation under control.

The Minister of Finance gave his version of the problem when he said that wage and price controls would not work in Canada and that they had not worked when tried in the United States and the United Kingdom. On the first point, I do not see how the minister can say that they would not work when he has no evidence to support his claim.

If wage and price controls have not been tried, Mr. Chairman, the Minister of Finance is not in any better position than I to determine whether or not they will work. I doubt that even he could quarrel with that logic. On the other point, there are conflicting opinions whether or not they worked in the United States. The best evidence we have is reflected in the fact that the rate of increase in inflation in the United States is less than in Canada, so it would appear that something is working for them.

The Prime Minister has stated in the past that the government's abortive attempts to implement wage and price controls on a voluntary basis proved that such controls would not work. He also said that labour would not co-operate with the government in voluntary restraints and therefore that precluded any possibility of success with the program.

I cannot accept that argument either, Mr. Chaiman. Because there were no clearcut guidelines for anyone to follow, and the government's program of voluntary restraints was purely and simply an attempt to pass the buck and place responsibility for inflation on anyone who happened to be handy. The government could not have cared less whether the culprit was industry, labour or the country's wholesalers and retailers.

In fact it was not a program at all. It was a shallow attempt to put off making a decision, an attempt to buy time in the hope that divine providence would intervene and solve the problem for them. The only thing that divine providence has ever done for this government is to deliver the N.D.P. as a Liberal rump, stripped of their doubtful principles and philosophy and laid bare for the government to use as they see fit. If they are waiting for divine providence to deliver us from inflation, and it appears that they are, then we will have a very long wait indeed. But the Canadian people, particularly our older people, are

tired of waiting and the time has long since passed when the government can avoid making a decision.

The senior citizens in this country will never be able to make ends meet until such time as the government comes to grips with this cancer. How can they relax in the evening of their days when they see their only hope of justice in the form of a rail strike to bring the government back to a point of temporary sanity?

Before my time runs out I should like to make one more point with regard to the government's responsibility in this matter. The case has been made over and over again that the government has failed to measure up to its responsibility in fighting inflation. Now that is a fact of our daily lives.

However, there is another area in which the government has failed in its duty to the electorate. This government has doubled the national budget in the last five years over what it had become in the previous hundred years. When the present Prime Minister took office the national budget was about $10 billion. In the coming fiscal year it is just short of $20 billion. I charge this government with doing more than anyone or anything else to contribute to the present spiral in the rate of increase in inflation. It is obvious from the estimates that it does not have any intention of reducing expenditures, or of even trying to hold the line.

The villain in this piece is not the labour unions, or industry, or the wholesalers and retailers in our country. The culprit is not some person or thing outside the country, as we have also been led to believe. The villain in this shabby drama sits there across the room, smug and complacent and determined not to take suggestions or advice from anyone who seriously wants to restore the buying power of the Canadian dollar.

We have already been warned by the garment industry that clothing in Canada will probably increase in price by as much as 50 per cent in the next six months, and possibly sooner. Industry knows or suspects that this is going to happen, but the government appears to be completely unaware of this fact or is completely disinterested. There are signs that food and shelter are also going to experience dramatic price increases in that period but still we have had no indication that the government is aware or interested.

We cannot wait for several more months for these things to happen, Mr. Chairman. We must take some sort of initiative now. I call upon the government to stop worrying about the NDP support and begin to act like a government. If the government table legislation that is designed to grapple with national problems, they can forget about the NDP; we have already demonstrated that point. They will not need them, for the simple reason that we will give them the support they need. But the government will have to start acting responsibly, and this could prove refreshing as well as fruitful for the electorate after months of playing games. At least in my opinion it would be worth a try.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I should like to say a word or two. It might be more than a word or two but it will be about clause 1.

Mr. Lalonde: Hear, hear! You are the first one.

Old Age Security

Mr. Knowles (Winnipeg North Centre): If my tone of voice seemed to suggest that some of the speeches made recently have been out of order, that is what I meant. It seems to me that the time comes when Standing Order 55(2) should be applied, as indeed Your Honour tried to apply it a few moments ago.

I should like to talk about the language of this bill, some examples of which are to be found in clause 1. I know that the law has to be clearly written so that every loophole is covered and no smart lawyer can get around it. But I also believe that the law is written for the people, and it seems to me that a law that provides a pension for senior citizens ought to be written in such a way that an average senior citizen can pick it up and know what it means.

I am not sure that all of the 264 members on the floor of this House can pick up this piece of legislation and know precisely what it means, except, of course, that they have read about it in the newspapers. Let us take clause 1. Part of what I say refers to clause 2 as well, but I will make my remarks in relation to clause 1. In the main, clause 1 of the bill tries to tell us that the consumer price index will be used for the purpose of the quarterly escalation of the Old Age Security Pension and the payment of the Guaranteed Income Supplement. In order to do that it tells us in the paragraph on page 1 what is meant by the consumer price index and makes reference to the adjustment quarter. Then we discover that there can be two kinds of adjustment quarter, the first adjustment quarter and a second adjustment quarter, and that there can also be a payment quarter.

● (2040)

Having given us that information, the clause proceeds to define these various concepts. In order to define the first adjustment quarter, it uses four full subparagraphs (a), (b), (c) and (d). They define what the first adjustment quarter is in relation to each of the four different months in the calendar year in which the escalation is to take place. Then, not in any logical sequence, but I suppose because of the alphabet, we are given a definition of payment quarter. I would have thought that we would be given the definition of the first adjustment quarter, then of the second adjustment quarter, and then of the payment quarter; but no, we get the definition of the first adjustment quarter, then of the payment quarter, and then of the second adjustment quarter.

For the purpose of defining the second adjustment quarter, the bill again has to use not one or two simple sentences, but four subparagraphs, (a), (b), (c) and (d). After that we are told, as we read on in the bill, that payments shall be adjusted quarterly. And just in case enough has not been put into the bill, we find this phrase, "in such manner as may be prescribed by regulation . . .".

Having read all that, we then come to a clause or two that tell us how much a pensioner will get under the provisions of this bill in various quarters. Up to this point I have just been describing in my own words what the various clauses do. But having looked over the first three or four pages of the bill, I find that there is a honey of a clause that starts at the bottom of page 3 and continues over on page 4. I should like to read it into the record. It is

the part of the bill which says how much money a person will get in any quarter, and it goes like this. The amount:

(a.1) for a month in the six-month period commencing on April 1, 1973 is the basic amount;

(a.2) for a month in the payment quarter commencing on October 1, 1973—

Until I let Your Honour know differently, I shall be quoting from one sentence. I continue with the words that say that the sum to be received:

—is the amount obtained by multiplying

(i) the basic amount,

by

(ii) the ratio that the average for the ten-month period that ended on July 31, 1973 of the Consumer Price Index for Canada, as published by Statistics Canada under the authority of the *Statistics Act*, for each month in that ten-month period bears to the average for the ten-month period that ended on September 30, 1972 of that Consumer Price Index for each month in that ten-month period; and

(b) for a month in any payment quarter commencing after December 31, 1973 is the amount obtained by multiplying

(i) the amount of such pension that might have been paid to such a person for a month in the three-month period next before that payment quarter,

by

(ii) the ratio that the Consumer Price Index for the first adjustment quarter that relates to that payment quarter bears to the Consumer Price Index for the second adjustment quarter that relates to that payment quarter.

Finally there is a period.

Mr. Lalonde: It is obvious.

Mr. Knowles (Winnipeg North Centre): It is common practice in this institution for members to criticize what somebody has done but not say how it can be done differently. I thought, having been a printer and having had to work with words in one way or another, and having been in another profession in which one makes use of words to convey ideas, that I might try to see if I could not put in a reasonably simple sentence all that this gobbledygook says. I am not going to move an amendment. I would not suggest that our law should be made so simple that an ordinary person can understand it.

Mr. Baker: Or lawyers couldn't make a living.

Mr. Knowles (Winnipeg North Centre): My learned friend from Commanche Drive is obviously worried about what would happen to lawyers if the law were written in simple language. But let me indicate what I think should have been done. I know we are having a bit of fun about this, but I am also making a serious point. The individuals who draft these laws, instead of trying as hard as they can to make them obtuse and incomprehensible, should try to make them simple and understandable.

Let me try something on for size. For purposes of this draft I accept what the bill tries to do. I might disagree with some provisions, but I accept what the bill tries to do. Let me read what I think might have been drafted. That clause could say:

The quarterly escalation provided in this act shall take place, each year, in January, April, July and October, and it shall be calculated on the basis of the increase in the Consumer Price Index during the three months that ended two months prior to each January, April, July and October, as compared with the Consumer Price Index in the immediately preceding three months period.

Mr. Blenkarn: It's too simple.

Mr. Knowles (Winnipeg North Centre): My hon. friend from Mississagua finds it too simple.

An hon. Member: He's a lawyer.

Mr. Knowles (Winnipeg North Centre): It might have been useful to put a simple statement like that in the explanatory notes, but it is not there. Perhaps those who draw up the explanatory notes could not figure the clause out. It is really quite simple.

If the Minister of National Health and Welfare, his parliamentary secretary, the government House leader and the very useful help which is sitting in front of the Minister of National Health and Welfare say that I have not taken into account the fact that we must consider the special circumstances that relate to the first payment, the one that starts this October, let me say that I have drafted something to cover that as well. What I have already suggested as a first paragraph would cover the picture in general terms. I see the parliamentary secretary nodding his head. I suspect this is the first time he has understood the bill.

As for the first payments, the first increases which are to come into effect in October and which, by the way, are spelled out in that long sentence I read, the matter could be reduced to this:

The escalation to come into effect in October, 1973, shall be calculated on the basis of the increase in the Consumer Price Index during the ten months from October 1, 1972, to July 31, 1973, as compared with the Consumer Price Index during the ten months from December 1, 1971, to September 30, 1972.

An hon. Member: Explain.

Mr. Knowles (Winnipeg North Centre): Someone says, explain. If my hon. friend will look at *Hansard* tomorrow, he will realize that that is what all the gobbledygook in the bill is. Tonight it is not as important to make this change as to get the bill through.

However, I am glad that we have gone through this exercise in committee of the whole so that the important and competent officials of the Department of National Health and Welfare who are with us, and they are important and competent, will, next time this kind of legislation is to be drafted, say to the drafters, "For heaven's sake, put this stuff in plain, ordinary language that can be understood."

An hon. Member: Even by the lawyers.

Mr. Knowles (Winnipeg North Centre): Yes, even by the lawyers, so that they can understand what is in the law without having to seek the advice of counsel. When the minister gets to his feet, I would be glad to hear his comments on what I have been saying.

● (2050)

Now may I ask on what basis the government picked these two particular 10 month periods for the purpose of calculating the increase that is to come into effect in

October? I can understand the time sequences that were chosen for the regular quarterly escalation. In other words, if a quarter starts in January, you have to pick a period as recent as possible, so the government picked a period that ended two months before that. However, on what basis was the decision made to pick a particular 10 month period compared with another 10 month period? If the minister tells me they did some experimenting and calculating and found that that comparison gives the old age pensioners more than some others, I will be quite happy. However, if that calculation does not give them the best possible increase, why did they not pick one that would have done that?

Mr. Lalonde: Mr. Chairman, I might now answer the question raised by the hon. member for Winnipeg North Centre. With regard to the last question he raised, these two particular 10 month periods were chosen in order to make the catching up effective.

The hon. member will remember we amended the Old Age Security Act as of last April. We made an increase which included the adjustment in the cost of living of the previous year and also included an increase in real terms in old age security payments. That part of the increase made in April represented the adjustment in the consumer price index.

Mr. Knowles (Winnipeg North Centre): Roughly three dollars.

Mr. Lalonde: That is correct. That was based on the act as it stands at the present time. The act now provides for an annual escalation every April for the year ending the previous October. At the present time there is a six month time lag in the adjustment of the consumer price index. Last April we brought the CPI component of the total increase up to the previous September 30.

We are now catching up from last October to the most recent date possible, July 31. That is a 10 month period. We selected that particular period to ensure there would be no loss to senior citizens in the adjustment. We had to refer that 10 month period, October to July, to the previous 10 month period which dated from December 1971 to September 1972. That is the only reason we picked that particular 10 month period. The existing act explains the catching up.

With regard to the other worthwhile points raised by the hon. member, for a while I was wondering whether he had been looking over my shoulder or that of my parliamentary secretary. The suggested drafting he proposed was extremely close to what I had written in the margin for my benefit to show the meaning of the particular clauses which the hon. member read. Having been a practising lawyer for a few years and having tried my hand at drafting certain pieces of legislation, I must say I quickly abandoned the profession of drafting legislation, immediately recognizing my incompetence in that field.

I am not going to deal with every suggestion made by the hon. member. I have taken note of them and they will certainly be discussed with those drafting these particular bills. I am sure the hon. member understands it would not be appropriate for me to say all his points will be included in the drafting. This would require a complete redrafting of the bill since it has been drafted on the basis of particular quarters, as spelled out in the bill. I am sure the hon. member's points will also be noted by the Minister of Justice and those in the Department of Justice who are responsible for drafting legislation for the government.

There is a long standing tradition in the federal government as to the particular school of drafting. I have always found this difficult to follow. It seems that federal bills are drafted in a much more complex way than provincial bills. However, being a lawyer, I find it difficult to argue with other lawyers and win my point. I will pass on the hon. member's comments.

Mr. Oberle: Mr. Chairman, I wish to direct a question to the minister. It arises out of my concern for those senior citizens who live in provinces such as British Columbia which can be classified as "have" provinces.

The Premier of British Columbia is rapidly emerging as one of Canada's most ambitious entrepreneurs. He is implementing all kinds of social services that are not that much in tune with the rest of the country. I worry about the senior citizens who have to live in these "have" provinces on an income based on federal contributions that exist throughout the land. British Columbia is so wealthy that the Premier and the government of that province found it necessary to introduce social services in addition to those in which the federal government shares.

Have the minister and the department given any thought to making it mandatory for these provinces to pass on these increases as well as the additional payments which the provinces are making, or will the provinces be able to take advantage of the additional contributions from the federal government and simply absorb them in their own payments?

Mr. Lalonde: Mr. Chairman, there is certainly no intention on our part to make any such mandatory requirements. Obviously Parliament is free to pass whatever law it wishes to increase social benefits to the citizens for whom it provides benefits. Similarly, the provinces are free to add to those benefits if they wish. The fact that the federal Parliament decides to increase a particular benefit does not take away freedom of action from any particular province.

I was happy to note that, at this time at least, the government of British Columbia has decided not to take away, if I may use that expression, the increase the federal government has given to the senior citizens. I understood the Premier of British Columbia to say they will pass on to the senior citizens the increase which this particular piece of legislation provides, contrary to what happened last April. I am sure that made quite a few senior citizens in British Columbia most unhappy. I must say my feelings at that time were very much with the senior citizens of British Columbia.

● (2100)

Mr. Oberle: Do I understand, then, that the hon. gentleman has a commitment from the Premier of British Columbia that he will pass on the benefits of this bill to the senior citizens?

Mr. Lalonde: I do not have a commitment, but the Premier of British Columbia has given a press conference

on this subject and issued a press release. So I presume he has made a commitment to the public of British Columbia.

Mr. Jelinek: Mr. Chairman, I shall be very brief as there is not much more left to be said about Bill C-219 except to state emphatically that the measure is long overdue and falls far short of satisfying the requirements of the senior citizens of this country. Let us also realize that the bill would not be before us had it not been for the inability of the government to solve the railway dispute without recalling Parliament.

The government continues to spend millions upon millions of dollars on programs which have little to offer the country in the way of constructive development, but when it comes to our senior citizens, those same citizens who have made this country the great nation that it is today, like amounts of dollars can never be found. It makes no sense to me that the government should spend millions of dollars each year on Rochdales, Satan worshipers and on LIP or OFY programs, far too many of which are worthless, while the incomes of our senior citizens decrease in value because of the spiralling increase in the cost of living.

The bill presently before the House deals only superficially with the real problems facing senior citizens on fixed incomes. Once again the government has introduced legislation which the opposition parties have been insisting upon for months. As always, the senior citizen bears the brunt of government inaction and is forced to take the largest cut inflicted by the sharp knife of inflation.

While the government urges all sectors of the economy to curb inflationary spending, it continues to disregard its own advice by embarking upon a program of government expenditure unparalleled in the history of any country in the world. In the area of government salary administration alone, in the last ten years the number of people making the equivalent of $20,000 a year has doubled. Quite simply, if the government itself is not able to control spending effectively in its own departments, it certainly cannot be expected to control spending in other sectors of the economy.

One aspect of the bill which even the government is conceding is that inflation under the Liberal administration will continue to take its course. Not only are members opposite incapable of controlling this inflation, but they are anticipating such increases in the future that they have attempted to placate senior citizens by appearing to give them something, though in reality all they are doing is letting them remain at their already low standards. If the intention was to make this legislation truly effective, the effects of the spiralling cost of living over the past year should have been taken into consideration.

The subject is a most serious one, Mr. Chairman, and I would be remiss if I did not express my disdain for the tone in which the Minister of National Health and Welfare addressed the House and the partisan stand he chose to take when presenting this bill. His attack on all members of the opposition was unwarranted and in questionable taste; in no way did it enhance the stature of himself or of his party.

As I have often stated, all hon. members in this chamber naturally approve any proposals for increasing financial

assistance to senior citizens. But is the government seriously suggesting that the passage of the bill before us will in any way help fight the high rate of inflation, or, more specifically, deal with the high cost of living? We all know from recent statistics that in the past few months the cost of living in Canada has increased more rapidly than during any similar period in the past 25 years.

I am sure no Canadian needs to look at statistics to realize that we are in the midst of one of the worst inflationary periods the country has ever known. Every time we go into a store, whether it is to buy clothing, food, or any other commodity, we are confronted with dramatic price increases. And if one has been following developments in the real estate market, it soon becomes evident that owning a house has become only a dream for the majority of Canadians.

Rents, too, are rising, as are interest rates. Everything is more expensive and, as usual, the people most dramatically affected are those who must live on low and fixed incomes. Once again the government is trying to escape these facts by presenting superficial bills, such as the one before us, which provide no relief but only serve to perpetuate an already intolerable situation.

The time has come for the government to face its responsibilities to the people of this country. Indeed, it has long passed. We are in the grip of an inflationary spiral which threatens to strangle our economy if we are not prepared to take positive action now. On one hand, the Prime Minister and the Minister of Finance oppose economic controls. On the other hand, the Prime Minister and the Minister of Finance are imposing selective controls.

Upon close analysis of recent, so-called controls applied to the petroleum industry it becomes increasingly apparent that the government has failed to offer any real protection to the Canadian consumer. We all recall the measures taken to set up the Food Prices Review Board. Here another piece of toothless legislation has been drafted as a smokescreen to cover up inaction and a genuine lack of concern. It is obvious that the credibility of the Liberal government will soon sink as low as that of the NDP.

It must be made clear to everybody in this country that what is placed before us in Bill C-219 is not progressive legislation but merely one step, long overdue, which falls far short of providing meaningful gains to the senior citizens.

Mr. Stackhouse: Mr. Chairman, I like the way in which the Minister of National Health and Welfare has been generous in sending out copies of his speeches to his colleagues at public expense. I have read them with great interest and appreciation, so much so there are times when I think the Prime Minister might well appoint the speechwriter to be Minister of National Health and Welfare. There seems to be such a gap between the sentiments expressed by the minister in his speeches and the action embodied in the legislation which he submits.

One of the things that concerns us in the present debate is this gap between promise and performance. Certainly we see it in the bill which is before us, a measure which offers all too inadequate a solution to the needs of the old age pensioners. I can remember just a few days ago when people from one coast to the other ridiculed the minister of

finance of that day as "Six buck Harris" because he offered an increase of $6 a month. I am wondering whether we shall soon be talking about "Five buck Lalonde", because that is what he is offering people who are now suffering as a result of the heavy increase in the cost of living which has fallen upon senior citizens as upon all others in this country.

The pension increase which has been enacted and the increase proposed in the legislation before us amount to far less than the actual increase in the cost of living since November, 1970 when the Prime Minister said inflation had been licked.

● (2110)

Is it not extraordinary that three years later we are now offering an increase in the pension to meet the challenge of inflation—three years after the Prime Minister said that inflation had been licked? Inflation will lick him, and it is high time. Certainly it will have to lick him if we are to help the people, because his government is offering inadequate support to those people who need it the most.

I think we must recognize that the proposal in this bill simply does not meet the needs of those people in terms of the increase in prices and the cost of living which the old age pensioners must bear along with the rest of the people in terms of their needs as human beings. What we should be equally cognizant of is that the way in which we are increasing the pension will not solve the problem. It is not enough simply to give them $5 if that $5 is worth nothing. It is of no help to increase their pension and at the same time allow prices to escalate. This really does not help our old people.

The problem will not be solved simply by increasing pensions and wages. Some restraint must be placed on the rise in the cost of living. I think this government should be judged by the way in which it has brought in, at this emergency session of Parliament, a promise of a package that would deal with inflation but which does not include some effort to control prices and bring a halt to the escalation in the cost of living. I believe this bill is inadequate in meeting the needs of the people because there is no reference to the needs of those people who require government support because of disability and infirmity. If we simply pass this bill, add quarterly escalator to the old age pension system, and do nothing about those people living on a disability pension, we will simply be doing something for the senior citizens and nothing for those who suffer from infirmity and disability.

I think we must consider this problem very seriously. Because even though it requires the co-operation and agreement of the provinces, surely it requires initially the enterprise and initiative of the federal government in seeking that kind of agreement and common policy which would more adequately meet the needs of these people who number in the thousands. Let me simply cite the experience of one such person, a 61-year old widow in the metropolitan area of Toronto. The following report appears in the press:

> "I'm lucky if I can buy hamburger once a week, the way prices are today, "she said in an interview last night.
>
> Until four years ago Mrs. Ritchie worked in a bank and took home $117 every two weeks. Then she had a kidney removed and had to leave her job.
>
> Now she spends $43 a month for her one-bedroom apartment on Mornelle Ct., $7.83 for a telephone, and $15 for bus fare. With the $77 that remains, she buys food, household supplies and drugs not covered by government funds.
>
> "It's terrible. It is awful living this way. I can't describe what it's like, really."

That story could be repeated a thousand times. It is so impressive that in one of his fine speeches the minister referred to this particular matter and showed that it is important not only in his thinking but in the thinking of his provincial counterpart. For he says the following in one of his speeches:

> ... some provincial ministers were not completely enthusiastic about the latest increases in old age pensions. Some argued that we should look at the needs of other deserving groups such as the blind, the disabled, single parent families, etc.

In another speech he says:

> In the first place, the social security plan shall ensure to persons unable to work, the elderly, the blind and the disabled, an annual guaranteed income that is fair and compassionate.

He goes on to say that one of the needs in reorganizing the social security problem in this country is to integrate the various assistance programs so that the disabled and the infirm can be more adequately supported. I agree with that, but we know that while there is provision in the bill for a legislative program supposedly to meet the inflationary challenge to those least able to cope with it, there is no reference to these people. In March of this year the following statement was made on technology and the handicapped:

> Canada's bill of rights should be amended to include full rights for the disabled—

These people are being denied adequate pension provisions. I plead that we not let this program go by without some reference to the need of the disabled and the infirm to receive more adequate recognition.

Indeed we might well call in another outstanding authority, Senator David Croll, whose voice surely is heard with respect on the other side of the House as it is in the other place. He is quoted as saying in a news report:

> Income-security benefits for the aged are "disproportionately high when compared with social assistance payments for other groups."

The senator also referred to the way in which, to a large degree, those who are receiving disability and infirmity pensions through co-operation by the federal and provincial governments are being inadequately provided for. I submit that the initiative lies with this House of Commons and that this Parliament has a duty to challenge the government to meet that need. I would say that on this point we might very well remind the minister of a quotation which he cited in another impressive address from T. S. Eliot who said:

> Between the Idea/and the Action
> Between the Conception/and the Creation
> Between the Emotion/and the Response
>
> Falls the Shadow.

When we look at this bill and think of the needs of the people throughout this country, particularly those who are

disabled and infirm, we must all agree that between the idea the minister had in some of his speeches and the action he proposes in this legislation falls the shadow of disappointment and disenchantment.

Mr. Reilly: Mr. Chairman, yesterday the minister sponsoring this bill, if I can quote from *Hansard*, said that the opposition reminded him of the magic men from the carnival medicine shows peddling the same thin sugar and water concoctions as a cure for everything that ails us. If I might continue in the same carnival metaphor, I would suggest that the demeanour of the minister and his accomplices is rapidly taking on that of another kind of carnival operator who used to operate what is known as the shell game—now you see it, now you don't.

● (2120)

In March 1973, when the minister introduced his $100 minimum pension, he said it was enough to banish poverty among the old people of this country.

Mr. Lalonde: Mr. Chairman, I rise on a point of order. I think the hon. member is referring to a so-called quotation that he knows very well was incorrect. I never said that, and he acknowledged that, indeed, there was an error at the time.

Mr. Reilly: I acknowledged that the minister said it was an error. He accused *Hansard* of improperly translating his remarks, but in all of the time I have observed the proceedings of this House and in all of the time I have taken part in the proceedings here I have found the *Hansard* reporters to be impeccable in their interpretation.

Mr. Lalonde: On the point of order, Mr. Chairman, if the hon. member wants to make a specific accusation or charge I challenge him to do so. I never accused *Hansard* of anything. I corrected *Hansard* on the basis of what I actually said, and that part of *Hansard* was a translation. If he reads the French text, which was the actual text, he will see that I never said anything of the sort. I should think that the hon. member would at least have the courtesy of taking my word for it. If he does not, I challenge him.

An hon. Member: We are going to have a duel.

Mr. Reilly: What I suspect really happened was that there was a press release prepared by the minister's office and given to *Hansard*, as is very often the custom, and the minister revised the speech when he found the particular phrase to be fatuous. But somewhere along the line he slipped up. I believe someone in the minister's department in a fairly influential position in fact believed that a $100 pension was going effectively to abolish poverty among the aged in this country. I believe such people still exist and are still trying to convince us of that view.

Before I go any further I want to ask the minister the same question I asked him twice yesterday, to which I received no reply. I want to ask him, first, is it not true that since 1963 the purchasing power of the Canadian dollar has shrunk by almost 50 per cent? Secondly do he and his colleagues sincerely believe—and I think the country has a right to know this—that the figure now proposed for an individual or a couple is enough to allow that individual or couple to live in dignity and in comfort? I want a yes or no answer right now.

Mr. Lalonde: If the hon. member will sit down I will stand up, Mr. Chairman.

An hon. Member: This is not the question period.

Mr. Lalonde: Are you ready now?

Mr. Reilly: Yes.

Mr. Lalonde: As far as the first part of the question is concerned, I do not have the exact figures of the increase in the consumer price index over the last 10 years. It may be what the hon. member suggests, but I do not know. It may well be different.

One thing that should also be mentioned is that the real income of Canadians during that period—and I suspect that the hon. member took that period because it was 10 years of Liberal government—has increased very substantially, much greater than the increase in the consumer price index; and he can check that.

Some hon. Members: Hear, hear!

Mr. Lalonde: As to the second part of the question the hon. member has raised, everybody has his own view as to what the figure should be, but I might indicate to the hon. member that the Economic Council of Canada published figures some time ago as to what they called the poverty level.

Mr. Yewchuk: When?

Mr. Lalonde: These figures have been adjusted to the present time taking into account the increase in the consumer price index. I am sorry, the figures are as of the end of 1972. The council suggested that for a couple the figure was $3,516.

I might remind the hon. member that with the increase which was granted in April we raised the guaranteed income of a senior citizen for the first time above the level as defined by the Economic Council of Canada. As a result of the measure proposed today, the income of a couple is going to be $4,101.60, if I know how to multiply $341.80 by 12. Whether this is enough or not, once more anybody can have a view on this, but I would think as compared with other situations, and particularly those in various provinces under Conservative administration—and I refer to the case of the hon. member for Edmonton-Strathcona and the point he raised—

Mr. Reilly: Mr. Speaker, I did not ask for a political speech. I asked for a yes or no answer and I did not get it.

An hon. Member: Oh, sit down.

Mr. Reilly: I believe I have the floor, Mr. Chairman.

An hon. Member: Ask a question or sit down.

The Deputy Chairman: Order, please. Will the hon. member take his seat. The hon. member knows that under the procedures of the committee once a member relinquishes the floor to someone else, even if it is to answer a

question posed by the hon. member, that member then has the floor. The hon. member for Ottawa West cannot force an hon. member to limit his remarks to a yes or no answer. It is very difficult for the Chair, because when recognizing a member the Chair must allow him to speak for 20 minutes to complete his remarks, and at that time advise him that his time has expired. Then the hon. member can seek the floor again.

Mr. Lalonde: Mr. Chairman, I can understand the hon. member wanting to prevent me from quoting the figures that the Conservative government of Ontario has adopted under social assistance. I thank you for allowing me to complete my remarks.

The social assistance figure for Ontario, as checked this morning with Toronto—I remind hon. members that Ontario is the richest province in Canada, and certainly that government cannot plead that it cannot get more funds—for a couple is $246.75 per month, or a total of $2,900.61 per year. This is over $1,200 less being paid by the Ontario government than what is now proposed.

In respect of the matter mentioned by the hon. member for Edmonton-Strathcona covering the disabled, the handicapped and people under 65 years of age who are really in need, perhaps I could give the figures for Alberta, at least for the edification of the hon. member. The figure is $244 for a couple in Alberta.

Mr. Stackhouse: On a point of order, Mr. Chairman. The hon. member keeps referring to myself as the member for Edmonton-Strathcona. I am the member for Scarborough East. This indicates two things to me: first, he knows very little about the west; secondly, his knowledge of geography is as impoverished as his knowledge of social needs.

Mr. Lalonde: I apologize to the hon. member and I hope he is not taking the attribution of this particular riding as an insult.

• (2130)

Mr. Yewchuk: On a point of order, Mr. Chairman, I wonder if the minister would kindly quote the same figures for the Liberal governments of P.E.I. and Nova Scotia?

Mr. Lalonde: I do not have those figures right now but I can tell the hon. member that out of their provincial income those provinces are contributing more to social assistance than the provinces of Ontario and Alberta.

Some hon. Members: Hear, hear!

Mr. Lalonde: Mr. Chairman, I now have those figures. They are published in a very good document that I recommend to the hon. member entitled "Working Paper on Social Security in Canada," tabled in this House last April. Table 8 in annexed page 53 shows that in P.E.I. the figure in April was $2,188. There may have been an increase in the meantime. I do not have the exact up to date figure, but that is poor little P.E.I. for you. If you look at the expenditure in terms of percentage of personal income, P.E.I. is contributing to social assistance 3.4 per cent of its personal provincial income, while the great big generous government of Ontario is contributing 1.4 per cent.

Some hon. Members: Shame!

Mr. Yewchuk: That is a pretty poor excuse.

Mr. Lalonde: If you look at Table 7 on page 52 of the booklet in question, you will find that the two provinces—

Mr. Reilly: On a point of order, Mr. Chairman, the query is merely whether the minister believes that the amount in question is enough to live on. I do not think this calls for a lengthy, impassioned peroration on the crimes of the government of Ontario. I am not here to apologize for the government of Ontario; I am here to attack him and his colleagues.

The Deputy Chairman: Order, please. I am sure the hon. member would not wish the Chair to intervene between two hon. members in a debate or to give direction to an hon. member as to what he should say or should not say in his speech as long he follows the rules and the practices of the House. The minister has been allowed the floor by the hon. member for Ottawa West—

Mr. Reilly: For the purpose of answering a question.

The Deputy Chairman: —and it is impossible for the Chair to remove the floor from the minister unless he has completed his 20 minutes.

Mr. Lalonde: I will leave hon. members to guess which of the two provinces in Canada give the smallest percentage of their personal income to social assistance. These are the two provinces under the leadership of Conservative governments, Ontario and Alberta, with respectively 1.4 per cent and 1.7 per cent.

Mr. Yewchuk: On a point of order, Mr. Chairman, all the minister has done is indicate that the very good governments of those two provinces, which happen to be the richest provinces, have most of their people working, and they do not need to pay so much.

Mr. Lalonde: Mr. Chairman—

The Deputy Chairman: Order, please. The Chair asks the co-operation of hon. members. If we are going to use points of order to ask questions and to give hon. members' opinions, the committee will not progress. I would invite the minister, if he has not completed his remarks, to do so and the Chair will then return to the hon. member for Ottawa West.

Mr. Lalonde: I just want to say, in conclusion, that I am sorry the hon. member who has just spoken apparently is satisfied with the levels being paid for social assistance in the two provinces to which reference has been made.

Mr. Reilly: Mr. Chairman, I got no answer to the question I asked, but I really did not expect one anyway. There are many deficiencies in the manner in which all governments perform. As I said before, I am not here to deliver an apologia for the government of Ontario. I am here to try to talk some sense to this government.

Mr. Yewchuk: An impossible task.

Mr. Reilly: I may be wasting my time but I have a few minutes in which to do it and very little else to do this evening, so I might as well waste it this way. I would like to give the minister and his accomplices over there a few reminders, going back to 1969 when the Prime Minister discovered inflation. He told us it was the worst problem we had to face. He told us of the people on fixed incomes, how they were suffering, and how he was going to go about easing their plight.

He was warned at the same time by the Economic Council of Canada, which the minister a few minutes ago was so ecstatically quoting, that if he followed the plan he had announced two things would happen. One of them was that inflation would not be beaten, could not be beaten by that plan; and the second thing was that unprecedented unemployment would follow. And they were right. Arthur Smith was right. For his pains he was fired, banished, never to be heard from again.

What did we hear then? As my colleague pointed out a few minutes ago, we heard that inflation was licked. Then it turned out that it wasn't licked. We got a budget that was supposed to solve the whole matter, but it did not.

What happened then? We had a parliamentary committee on prices. What was it able to accomplish? Nothing. Now what do we have? We have the Plumptre committee, whose chairman is a Rockcliffe $40,000 a year ancient party wheelhorse who, from her mansion up there in the most exclusive part of Ottawa, advised the poor of this country that if they did not like the price of something they saw on the shelves in their grocery stores, not to buy it. A lady called Marie Antoinette gave essentially the same advice to the poor of Paris when they could not afford bread, but at least the people of that day had the wisdom to cut off her head.

An hon. Member: I thought you were against capital punishment.

Mr. Reilly: What we have from the famous Plumptre committee, and it is endorsed by the government, is yet another subsidy. Who is going to pay for that subsidy? One again it will be the middle class, the middle income people who have carried the country on their backs for so long. Because taxes rise inexorably due to things like the Taj Mahal on the Ottawa that the Secretary of State for External Affairs has built himself—Temple Pearson.

The fact of the matter is that we have been through Plan A, Plan B, Plan C and Plan D. And there is an exigency operation, as we all know, an emergency plan in Toronto, covering the printing of food rationing stamps and gasoline rationing stamps. The government has not tried to deny this.

● (2140)

In fact, the government has failed in its every attempt to cope with the problem of inflation, and now it proposes to give an extra $5 a month to the pensioners who already cannot properly exist. The minister would not say whether he believed $340 per month was enough to live on in dignity. I would remind him that in the province of Ontario the minimum wage is $2 an hour which, translated into a 40-hour week, works out to $80 a week. Multiplied by four it comes to $320 per month. That is a good deal more than he proposes to give to the person who has worked all his life, the person who worked at a time when very likely there were no contributory pension plans and whose savings have been eroded to the point where he is lucky if he can exist at all. The minister is proud of the fact that he has raised these pensions above the poverty line. I would not be very proud of that where I the minister.

[Mr. Yewchuk.]

An hon. Member: You will never be the minister.

Mr. Reilly: I certainly would never be the minister in your outfit. I think the hon. gentlemen over there dined a little too well. They are just clutching their bellies in spasms of uncontrollable mirth at everything I say. To be heckled by the backbench of the Liberal party—

An hon. Member: Is an honour.

Mr. Reilly: —is an honour, you are right. It shows at least that they are listening.

I am not going to make the mistake of asking the minister or any of his colleagues any more questions before I conclude lest the floor be taken away for all time. I will merely conclude by saying that the minister knows full well that, while the purchasing power of the dollar has declined by 50 per cent since his government took power, he also knows full well, but refuses to say that he himself believes, that the figure he offers is not enough to live on in comfort and with dignity. In his moving address in March he told us that he often thought of his own father and mother who had worked hard all their lives. I told him then that I hoped they did not have to exist on the pension he was handing out. He is now handing out another five dollars in the middle of summer. I can only conclude by saying that I hope he is a hell of a lot more generous to them at Christmas than he is in September.

Mr. Macquarrie: Mr. Chairman, I will take the opportunity to close the debate for the official opposition. I have enjoyed hearing the contributions of my colleagues and I hope the minister will pay attention to their good ideas. I enjoyed both interventions by the hon. member for Winnipeg North Centre. I enjoyed seeing the NDP cohabit with the Liberals and compete with the Social Credit party at the same time. That made an interesting exercise.

When I looked at the bill I thought the person who had been a party to the FISP bill in the last Parliament, whom we thought was out of the way, had returned. The bill is incomprehensible. We believe that in some mathematical conjuration we will get an improvement for the senior citizens four times a year, and because we have supreme faith we are supporting the bill.

I have two pieces of advice for the minister. He who presides over more federal-provincial consultations than any other minister, perhaps, in my judgment is ill-advised to waste his time in political tub thumping and criticism of Conservative governments in this country. That is not the way we make a better Canada for the older people of the country who live in all provinces. The better administration of shared programs is not aided by the kind of partisanship that we saw tonight.

Having noted this, and having expressed the faint hope that the minister might take note of what advice was

given to him today, may I end with another piece of advice. I hope he will have someone who knows something about the difference between good English and legal English write a brochure so that the older people of Canada may know what the bill is all about.

Having offered that faint-hearted goodbye, I may say that as far as we are concerned we are now prepared to have this measure move into the concluding stages in the hope that tomorrow we can get into something more substantial that will help fight inflation.

Mr. Lalonde: Mr. Chairman, I appreciate the comments made by the hon. member. I do indeed carry on a lot of consultation with the provinces on a consistent basis. The points I made tonight are points of fact which are there for everybody to see. They are not meant as charges but they certainly are meant as valid answers to certain silly accusations made against the government.

As to the hon. member's suggestion for a brochure for the senior citizens, I might say that such a brochure does exist at the present time. It is available and is widely distributed to senior citizens.

Mr. Macquarrie: On this bill?

Mr. Lalonde: Not on this bill but on the law as it stands now. Obviously there will be an updating and the brochure will be made available to all senior citizens. In that way they will become well acquainted with their rights.

As a matter of fact, the brochure sent out goes much further than just summarizing the bill; it provides an actual table for the various categories and the various levels of income. Just by looking at it anybody can see, is he is in a certain rate of income, what he is entitled to under the old age security and guaranteed income supplement programs. I appreciate the remarks of the hon. member and will make sure that all senior citizens receive such a brochure in the very near future.

Mr. Baker: Mr. Chairman, I should like to say something before this matter is closed. I have been in this House since January 4, 1973, during which time there have been some committees of the whole. However, I believe this is the first time in that period—indeed it may well be one of the very few times—that this House has had the opportunity of seeing, among those who advise the minister, one of the distinguished lady public servants of Canada. I think it is worthy of note.

Some hon. Members: Hear, hear!

Mr. Baker: This evening, when the last few moments have an air of unanimity, I think it is fitting that we recognize the contribution that has been made and will be made in an increasing way to the public service of Canada by the women who form part of, and work side by side with their fellows in, the public service of their country.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I fully agree with the comment just made by my neighbour, the hon. member for Grenville-Carleton. The young lady in question, having had this tribute paid to her, deserves to have her name recorded in *Hansard*. I, too, salute Miss Norma O'Brien.

The Deputy Chairman: The Chair agrees with the hon. member and joins in saluting the lady mentioned.

Shall clause 1 carry?

Some hon. Members: Agreed.

Clause agreed to.

Clause 2 agreed to.

On Clause 3—

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, there are two comments I want to make. At least, I want to make a comment and ask a question about clause 3. I am pleased to see in clause 3 a subclause which says—and one wonders if this will ever happen again—that if the consumer price index goes down, that will not result in the reduction of the pension. That sort of provision has been included in bills ever since the escalation provision came into effect, and it is a good idea to continue it in this case. Of course, if the CPI were to go down, it would have to go back up to its original level before there could be further escalation. It is good to see that point covered.

The other point I wish to deal with by way of a question. I think I understand this but I want it to be clear. My query has to do with the amount of increase that will be received by those on the guaranteed income supplement. To keep it simple, I will talk only about single persons. As I understand it, every single pensioner in receipt of any amount of guaranteed income at present will receive in October an increase of $9.02. In other words, I understand that this is not a matter of prorating, because the amount of any reduction is based on other income, and this calculation has already been made. In point of fact, whatever the amount of guaranteed income supplement a single person now may be getting, it will go up by $9.02 in October. Is that correct?

Mr. Lalonde: Mr. Chairman, that is absolutely correct, and all people on GIS will receive the full amount mentioned by the hon. member.

Clause agreed to.

Clause 4 agreed to.

On Clause 5—

Mr. Alexander: Mr. Chaiman, I should like some clarification with respect to clause 5. I notice that clause 5 permits the Governor in Council to make regulations with respect to the determination of the average of the consumer price index. I wonder if the minister could explain this and tell us how this procedure is to work, and what is contemplated in this provision.

Mr. Lalonde: This has only to do with the rounding out of figures when we are dealing with infinitesimal fractions. That is the purpose of the regulations.

Mr. Alexander: Is this a case of rounding out figures where many decimal points might be involved? Is that what the minister is saying?

Mr. Lalonde: Yes. When dealing with the figures, you may end up with thousands of decimal points, and this regulation would permit us to round out the figures to the closest point. That is the purpose of it.

Clause agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Laniel): When shall the said bill be read the third time?

Some hon. Members: By leave, now.

The Acting Speaker (Mr. Laniel): Is this agreed?

Some hon. Members: Agreed.

Mr. Lalonde moved the third reading of the bill.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, in my eagerness to speak I rose to my feet before the third reading motion had been put. I merely have a comment one sentence long to make to the minister. Next time he takes one of our policies, if he would give us a little notice we would expedite his bill even more quickly than we did this time.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I, too, have just one short sentence to say, and I suspect the minister can hear it even before I say it. May the next bill to amend the Old Age Security Act include a substantial increase in the basic amount of the old age pension.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have taken note of the comments made by hon. members. The only question left in my mind is, if this was Conservative policy, why did the Conservatives talk so long and delay passage of the bill?

Mr. Knowles (Winnipeg North Centre): Perhaps the bill was too conservative.

Motion agreed to, bill read the third time and passed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

POST OFFICE—PURPOSE OF SURVEY OF FORMER EMPLOYEES—POSSIBILITY OF MAKING RESULTS AVAILABLE TO UNIONS AND MEMBERS OF PARLIAMENT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, there is no department of government that receives more attention than the Post Office Department. I think it has the highest track record for complaints which are debated on the motion to adjourn, and this has been the case for some considerable time. I recall my predecessor on this topic, the hon. member for Hillsborough (Mr. Macquarrie), hit, I think, the highest ratings on the late show in bringing this matter up, and that record is being met in the present parliament.

The matter I want to discuss tonight with respect to the Post Office Department has to do with a problem that has persisted for a number of years, namely, the declining morale of the workers. The Post Office Department has been emphasizing automation at the expense of the well-being of workers. You cannot have a happy organization unless the people who are delivering the service are happy in that service. It is said that to err is human. I agree; but if you really want to foul things up, you must rely on the computer. This situation describes the present mess in the post office precisely.

● (2200)

The fact that the Post Office Department is not really coming to grips with the matter was demonstrated in a question that was fed to the Postmaster General (Mr. Ouellet) today with regard to the group postmasters. Over the years, this group of employees served beyond the call of duty and never complained. These are the people who provide service in the small communities, the post offices in the corner stores. Even they are becoming a bit restless and unhappy because of the failure of the Postmaster General and the government to deal fairly with them in the wage negotiations that have been going on for over a year.

Many questions have come up in recent weeks. The one I want to deal with tonight arises out of the project adopted by the Calgary regional office of the Post Office Department. In an attempt to get to the root of declining morale among the postal employees in that area, demonstrated by the rapid turnover in staff, it took the initiative in instituting a survey among former post office employees.

On July 26 I asked the Postmaster General if it was true that a survey of this kind was being conducted. I took the trouble to notify him of my question earlier in the day because usually the Postmaster General replies with pious platitudes that everything is the best in the best of all possible worlds. But he confirmed this was so in the Calgary office. I agreed it was a good idea and asked whether the survey might be conducted right across the country. The minister said he would give this consideration.

I hope whoever is responding for the Postmaster General tonight will be able to inform us whether the very creative idea which originated in the regional office in Calgary has been carried forward across the nation in the interest of improving vital postal service as rapidly as possible.

I could have raised another question tonight. On July 17 I asked about the discontinuance of the directory service of the Post Office Department. This ensured efficient service to the people of Canada. The letter carrier kept an up-to-date list of changes of address. In its wisdom, the Post Office Department decided to add yet another frustration: this service was discontinued, notwithstanding the fact the letter carriers are willing to carry out this

service. Indeed, they have been urging the government to restore it.

These are seemingly simple matters on the surface, but it is the little things which destroy the quality of service. I am sure hon. members will agree that if we have a happy public, we have a happy employee.

The Postmaster General is not with us this evening. He was not present when I spoke on the last occasion, July 17, just before the House adjourned. The Parliamentary Secretary to the Secretary of State (Mr. Marceau) replied. His words of wisdom, as recorded at page 5730 of *Hansard*, began as follows:

> Mr. Speaker, I will not take up the nonsensical accusations of the hon. member for Brandon-Souris (Mr. Dinsdale) because the government has no time to waste.

I remind him and this arrogant government that it has all the time in the world to waste because it is living on borrowed time. If it does not deal with fundamental matters such as efficient postal service that affects every citizen of Canada, in a very short time it will have all the time in the world to twiddle its thumbs, as it is doing at the present time.

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am happy to reply to the hon. member on behalf of the Postmaster General (Mr. Ouellet).

The purpose of this questionnaire was to discover the causes of the relatively high rate of personnel turnover, that is 10 per cent.

Last June, this questionnaire was sent to the Calgary area. To my knowledge, this is the only place where such a questionnaire was used.

In their desire to improve relations with their employees, Post Office Department officials sent out these questions, which concern the department in general, supervision, conditions of work, training, promotion opportunities, descriptions of duties, shift assignments, etc.

Fifty replies have now been received. These answers are now being analysed.

Since this questionnaire deals with an internal problem and is of limited scope, I do not think it necessary that it be made public.

[*English*]

AGRICULTURE—POSITION OF CANADA ON NEW INTERNATIONAL GRAINS AGREEMENT—REQUEST FOR STATEMENT BY MINISTER

Mr. Bill Knight (Assiniboia): Mr. Speaker, as usual I have my loyal audience at this hour thanks to an immense amount of co-operation between the House leader and the whips.

I rise to call attention to a question which has been aired in the last few days and which deserves to be restated. It relates to whether or not the government is taking any initiative toward establishing an international wheat agreement or an international grains agreement. The last time I asked the Minister of Agriculture (Mr. Whelan) whether moves were being made in this direction he told us he was looking into the matter but that he had to attend a meeting of provincial ministers of agriculture in Charlottetown, and, following that, of provincial premiers in Calgary. After his devastatingly poor showing there it is incumbent upon the government to outline the steps it is taking in an effort to establish international agreements respecting wheat and grains.

Steps in this direction should be taken now because the suppliers, the exporters of grain, Canada among them, are presently in a position to take the initiative. I refer to the fact that the World Agricultural Council has reported that world production is likely to fall at least 200 million bushels short of world demand. In such circumstances we as Canadians should take it upon ourselves to press for an international agreement under which producing countries are guaranteed a reasonable price over a period of time, and importing countries are assured of some certainty of supply. In other words, there would be some order in the world grain market the result of which would be to provide a measure of security to Canadian farmers.

I bring up this question tonight bearing in mind that the United Nations Food and Agriculture Organization has called the world's major wheat exporting nations to a meeting on September 10 to seek means of alleviating the consequences of the shortfall in world cereal supply. Canada is obviously one of the nations involved and it should be incumbent on the government to bring up the question of international wheat and grains agreements.

In addition, one or other of the ministers concerned should outline to the House, or at least to the Standing Committee on Agriculture, the direction government policy is taking in terms of the international situation, so as to bring some order into the marketing of grain for the benefit not only of Canadian farmers but also of the millions of hungry people in the world.

• (2210)

Further, on the issue of grain, for the first time in a long time the people of Canada are starting to realize the fundamental importance of farm production in terms of food supply in this country. If this government is going to make this kind of a move with relation to grains it should not do so until it is enunciated and discussed in the Standing Committee on Agriculture or on a statement on motions in this House of Commons.

I need mention only a few points. What are they doing in world negotiations on trade? What are they doing on the international scene and in respect of an international grains agreement? Why do we not have a full airing and discussion of the policy enunciated the other day when the western farmer at this point in time is subsidizing the consumer by $1.15 due to the maximum price of $4.50 and the minimum price of $3.25? Ten months ago I asked why this government was not changing its two-price system and subsidies because the wheat producers in my area were being left out.

If we are to be called upon to do this kind of thing by the government, then it is incumbent upon the government to give the representatives of those people a full opportunity to air and discuss measures of that type. Further, this government ignored a meeting of all ten

provincial agricultural ministers in terms of telling them what the feed grain policy was. They similarly ignored a meeting of the four western premiers of the areas in which the feed grain is produced. They ignored telling parliament what the feed grain policy was and took the opportunity late in the day when the press was not there to sneak into the Regina Inn and announce their feed grain policy. That shows how much confidence the government has in its feed grain policy. The matter ought to be aired in this House and in the standing committee as soon as possible.

That policy takes away a certain amount of control from the Wheat Board and the west loses its natural advantage in terms of farm production. Then the government had the audacity to move that the Export and Import Permits Act have control over the import of grains into Canada, and that this control be taken away from the Wheat Board. Although that policy has not been criticized too much—and probably that is our fault—it probably is one of the strongest moves by the forces of conservativism to take away the forces of orderly marketing from the Canadian Wheat Board.

Finally, may I say that in the world situation as it is today, and with the desperate situation in which many of our buying countries find themselves in trying to meet the price—buying countries which have been prepared to make 3, 4 and 5-year agreements to buy grain—we have an opportunity as a supplying nation to once again take the initiative in bringing world order into the marketing of grain and to enunciate in this House for the farmers of Canada a clear and definite statement on the approach we are taking to the establishment of an international wheat agreement and an international grains agreement.

[*Translation*]

Mr. Léopold Corriveau (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am glad to answer the hon. member in the name of the Minister of Agriculture (Mr. Whelan).

The hon. member's question of July 23, 1973, to the Minister of Agriculture was whether or not the minister would make a statement on motions. The minister's answer, Mr. Speaker, is still the same; he is considering the matter.

The minister has already established that a type of agreement on grains is under study. It might be important to remind the hon. member of two facts: first, that international agreements were not always concluded to the satisfaction of Canadian producers and, second, that it is not always judicious to reveal to the persons we are negotiating with the state of our position before time, if this time ever comes. Canada still continues to hold its position concerning an efficient international wheat agreement, as previously agreed, but, apparently, several of the main parties to this agreement are still not ready to start the necessary discussions.

I do not think any other comments are necessary, Mr. Speaker.

[Mr. Knight.]

[*English*]

LABOUR RELATIONS—SUGGESTED ESTABLISHMENT OF PUBLIC INTEREST DISPUTES COMMISSION—GOVERNMENT POSITION

Mr. Don Blenkarn (Peel South): Mr. Speaker, on the day we came back, August 30, I asked the Prime Minister if the government had any intention of introducing legislation along the lines recommended by the Woods Commission in 1968, and in particular with regard to a public interest disputes commission.

In 1966 we had a national railroad strike and parliament was recalled. The usual legislation for compulsory arbitration was banged through, and as a result of that the late Right Hon. Lester B. Pearson established the Woods Commission to inquire into methods by which we could more properly handle Canadian industrial relations. That task force made an exhaustive study of industrial relations and produced a 100,000 word report. That report cost this country $1.5 million.

On receipt of that report the then Minister of Labour, the Hon. Bryce Mackasey, said he would study it and might prepare some legislation, but that might take a year or so. One year went by, another year went by and several more years went by. Last year we had to come back again, and this year we had to come back again, produce ad hoc methods and go through the ritual dance, settling another industrial dispute in an area of essential service.

The Woods Commission recommended a public interest disputes commission, and to give this House some concept of what that might do I make these suggestions. The commission at the outset would be independent, not representing labour or management but representing the public and the public interest. That commission would determine what industry and what part of the industry or service is absolutely essential in the public interest. The commission might suggest in respect of railways, for example, that passenger trains are not essential and a strike may take place in some part of the country in that area. It would obviously decide that ferry services are necessary, and that it is necessary to move food to the north, to move grain shipments and perhaps certain bulk products to keep our industrial machine going.

Perhaps the commission would decide that certain strikes could be held on a limited basis. It might also determine special procedures whereby certain standards could be established in the case of wage disputes. For example, it might decide in respect of the railways that the durable goods industry's average wage payment scale might be the pay scale applicable. In respect of air controllers it might decide that the pay scale should be similar to that of employed lawyers, or something of the sort. This would be the purpose of the commission, to set guidelines and determine in the public interest which services are essential.

The commission might recommend to the government that a dispute cannot be allowed to continue any longer, that recommendation being made public, or it might allow a partial discontinuance of service. It might decide that if a union did not co-operate there should be a trusteeship, or that if a company would not co-operate there should be a seizure of its assets.

The commission might recommend such a thing as a statutory strike during which nobody gets paid but everybody works for a time and profits and incomes are set aside awaiting the outcome. It might even recommend compulsory arbitration. But the commission would be on top of the dispute from the very outset. When the rail dispute started and bargaining commenced back in November a public interest disputes commission would have been there. It would have been down at the table and representing the public interest. Because there is a public interest. We cannot go on having rail strikes. We cannot go on having air controllers strikes. We cannot have our harbours and canals tied up. This nation depends on these methods of transportation, communication and service.

● (2220)

The trouble with the strike weapon and the lock-out weapon is that they are the old trial by battle. We abandoned trial by battle in the judicial process a long time ago. We abandoned it probably because as a nation we got tired of looking after the widows and orphans who did not quite make it in battle. We must have a government that has leadership and that will develop a method of solving these kinds of disputes. This nation cannot afford this kind of activity any longer. It cannot afford to have its whole economy held to ransom.

The government has now had the proposals of the Woods Commission for five years. I do not say, and this party does not say, that those proposals are the last word. But my leader has said on several occasions, as have other hon. members of this House, that the Woods Commission is a start. It is a suggestion. It is something on which to base some legislation.

What have we got from across this chamber? We have got nothing—no leadership, no desire, no belief in how to solve the problem. That is the kind of government this nation has put up with. This nation cannot afford the kind of answers such as that given by the Prime Minister (Mr. Trudeau) to me on August 30, when he said, "Mr. Speaker, I have no announcement to make in that regard today". I had asked him would he introduce legislation that would make it no longer necessary for this House to be recalled in the fashion that it was recalled. He could not even be bothered to answer. That is the leadership this nation has had in labour relations. This has to stop. We are entitled to a government that is prepared to govern.

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the working and union people of Canada are in the wrong profession. If they were doctors, lawyers, dentists, wholesalers, retailers, etc. there would be no need to strike or even negotiate. They would simply raise their wages and prices, and the public would pay. Like the hon. member, maybe we should belong to a closed shop group, the lawyers.

The public interest disputes commission, if the recommendation were implemented, would be composed of three men appointed to serve on a part-time basis. The commission would be independent of parliament, of the executive, or of any government department, and would report to the Prime Minister (Mr. Trudeau). The commission would be composed of public members only, without representative character.

They would be selected in consultation with a Canadian industrial relations council, another of the bodies recommended by the task force, which is to be a representative body. The commission would have a small full-time secretariat of high calibre and have access to the Department of Labour and other sources of assistance.

The two major functions of the commission would be, first, to determine special procedures for resolving industrial disputes in industries that are likely to jeopardize the public interest, and second, to deal in an advisory way with actual disputes threatening the public interest. Parties in federal industries would negotiate their own procedures, but on failure to agree, or if the procedure was deemed inadequate, the commission would prescribe a procedure of a limited nature that would not lead to finality by way of compulsory arbitration, or control, or seizure of the operation, or other extreme measures.

The present system of disputes settlement, as contained in the Industrial Relations and Disputes Investigation Act, prescribes a common procedure for the settlement of all disputes arising in the federal jurisdiction. The parties negotiate and, failing a settlement, they can apply for a conciliation officer or a conciliation board. If an officer is appointed and does not settle the dispute, a board is appointed if the dispute is of a critical public interest nature. Not many boards are required, an average of 25 per year being used over the past eight years. Where no settlement results, further mediation efforts before strike are made by the department. The parties are free to go on strike or lock-out seven days after the board of conciliation report is received by the minister, not when the agreement expires as recommended by the task force. Under this system disputes are settled and screened out in direct order of difficulty in successive stages of negotiation, conciliation and mediation. Very few disputes go through all stages.

The existing system for dealing with disputes in the federal jurisdiction is successful in getting settlements in 95 per cent of disputes, with an average of six strikes per year and with only six disputes having to be placed before parliament for legislation in the past 30 years.

The question must be asked whether the scheme recommended by the task force can be even this successful in view of its many imponderables. Will an elaborate and involved system, in which the government will operate under a gun held by a commission and in which a Minister of Labour will have no authority, serve any effective purpose? In federal jurisdiction there has been an average of only 115 disputes per year in the past eight relatively busy years, and this seems an insignificant caseload for the research-oriented scheme conceived by the members of the task force. While they may be true to their calling and their academic background, labour and management disputants are more realistic in approach and outlook.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Friday, September 7, 1973

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

SUPPLY—DESIGNATION OF MONDAY, SEPTEMBER 10, AS ALLOTTED DAY

Mr. MacEachen: Mr. Speaker, I would like to confirm the statement I made yesterday that Monday will be an allotted day.

Mr. Bell: On a point of order, Mr. Speaker, we know the government House leader is leaving and we wish him good luck on his trip, but may I ask whom he has lined up to say no in his absence to all our requests?

Some hon. Members: Oh, oh!

* * *

AGRICULTURE

GOVERNMENT POLICIES RESPECTING FEED GRAINS, BEEF EXPORTS AND WHEAT PRICES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Jack Murta (Lisgar): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek the unanimous consent of the House to move a motion on what is considered to be a matter of urgent and pressing necessity, namely, the confusion and uncertainty throughout the agricultural industry in Canada caused by the ambiguous and incomplete policies of the government and the administration of those policies with regard to feed grains, beef exports and wheat prices. I move, seconded by the hon. member for Huron (Mr. McKinley):

That this House requests the Minister of Agriculture and the minister responsible for the Wheat Board to appear before the House of Commons Agriculture Committee to clear up the state of confusion occasioned by the government's ambiguous policies on feed grains, wheat support and beef embargoes.

Mr. Speaker: Order, please. The Chair will inquire whether there is unanimous consent, but before doing so I would remind the hon. member for Lisgar and also other hon. members that the form of these motions should be watched closely in view of the fact that under the practice we have developed there is no opportunity to reply to the allegations or charges which may be included in a motion or in its preamble. I think hon. members should exercise some discipline and care in ensuring that these motions are not couched in too clearly and obviously argumentative a form. In any event, I will inquire whether there is unanimous consent for the motion proposed by the hon. member for Lisgar. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

POLLUTION

GREAT LAKES AND MAIN RIVERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in view of the continuing pollution problems affecting not only the Great Lakes but also our main rivers and streams, and in view of the apparent lack of progress in providing any relief for this most serious situation, I ask leave of the House under the terms of Standing Order 43 to move, seconded by the hon. member for York East (Mr. Arrol):

That this House instruct the government to take immediate steps to end the growing pollution of our lakes, rivers and streams, and that the government of the United States be pressed into advancing its timetable of commitment to clean up Lake Erie and Lake Ontario.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

FAMILY ALLOWANCES ACT AND YOUTH ALLOWANCES ACT

AMENDMENTS TO INCREASE PAYMENTS

Hon. Allan J. MacEachen (for the Minister of National Health and Welfare) moved for leave to introduce Bill C-223, to amend the Family Allowances Act and the Youth Allowances Act.

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

• (1110)

ORAL QUESTION PERIOD

[*English*]

FINANCE

CURRENT FISCAL POSITION OF GOVERNMENT IN LIGHT OF ADDITIONAL EXPENDITURES RECENTLY ANNOUNCED—SUGGESTED INDEPENDENT ECONOMIC FORECASTING UNIT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance who made a statement to the press in August regarding the revised budgetary position of the government. Is it now the minister's intention to make a statement in the House as to the currently revised fiscal position of the government?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there will probably be an opportunity to do that very shortly, I should imagine, as a result of the announcement by the House leader this morning. It is obvious that the measures recently brought before the House as a result of the announcement on August 13 and the announcement this week by the Prime Minister have added about $292 million to the costs as against revenue.

Mr. Stanfield: I take it from what the minister says that he will be prepared to participate in the debate on Monday next. In view of the statement the minister made to the press in August in which he indicated that he had emphasized to the government the importance of choosing carefully among spending programs in order to keep spending within the adopted fiscal stance. I now ask the minister whether he proposes to cut back on other expenditures in view of the increased expenditures announced or whether he has changed his stance or whether the Prime Minister has changed his stance for him?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the total fiscal stance or cash requirements of the government will depend not only upon the increased expenditures I have just referred to but on what the revenue picture brings in. In any event, the hon. member mentioned priorities. The government felt there could be no higher priority at this stage than to protect Canadians in the low income and fixed income groups against the erosion of inflation. That was the purpose of these expenditures. As an additional purpose, in macro-economic terms—

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): I just wanted to bring some members of the House into the picture—I would hope that the additional disposable income made available to Canadians as a counter action against the erosion of inflation would have a stabilizing effect not only on profits but on incomes.

Mr. Speaker: Order, please. I have to interrupt the minister.

Mr. Stanfield: One further supplementary, Mr. Speaker. We will look to Monday for further enlightenment, but in the meantime the Minister of Finance has been gyrating at a new record rate. In view of the great divergence between the revenue the minister is taking in and the revenue he is estimating, according to his own admission to the press in August, I should like to ask if he is now prepared to support the establishment of an independent forecasting unit so we can get something like accurate economic forecasting in this country?

[Mr. MacEachen.]

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I do not think any forecaster in this country or anywhere in the world, whether public, private, academic, business or labour, was able to forecast, first, the strength of the economy or, second, the worldwide rate of inflation, both of which have affected the revenues of the government.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Egmont on a supplementary and then the hon. member for Northwest Territories.

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary question for the Minister of Finance. Since the minister admitted in August that revenues were exceeding the original expectation in his budget forecast in February by some half a billion dollars, and since the cost to the treasury of the announcement made earlier by the Prime Minister is some $290 million, is the minister prepared to indicate that government revenues will still create an inflationary factor among the general public? Further, will the minister be prepared on Monday to tell the House to what extent the inflationary effect of the Prime Minister's earlier announcement will really relieve the problems of low income families and those who have to pay very high interest rates in terms of housing costs particularly?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will take those remarks carefully into consideration in framing what I might like to say.

* * *

INDIAN AFFAIRS

NORTHWEST TERRITORIES—GOVERNMENT POSITION RESPECTING JUDGMENT ON CAVEAT APPLICATION—PAYMENT OF DEFENCE COUNSEL'S FEES

Mr. Wally Firth (Northwest Territories): Mr. Speaker, in the absence of the Minister of Justice I should like to direct my question to the Prime Minister. Now that the Supreme Court of the Northwest Territories has ruled in favour of the caveat application of the Northwest Territories Indian Brotherhood, can the Prime Minister tell the House whether it is the intention of the government to accept this judgment?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have been informed by the Department of Justice that they have not received the judgment yet. I believe that they have received the conclusion but they are only expecting the judgment which is a long one, some 60 pages, I am told, by Sunday night. They propose to examine the judgment and ascertain the conclusions and motives for the judgment and decide whether or not an appeal is in order.

Mr. Stanfield: There are advantages to slow mail.

Mr. Firth: Mr. Speaker, may I direct a supplementary question to the Prime Minister. Does the government intend to pay the fees of defence counsel appointed by the Northwest Territories Supreme Court to serve on the government's behalf?

Mr. Trudeau: Mr. Speaker, I would have to inquire whether that matter was considered by the Department of Justice.

NORTHWEST TERRITORIES—SUGGESTED INCLUSION IN NEGOTIATIONS OF LANDS COVERED BY TREATIES 8 AND 11

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my supplementary question is directed to the Minister of Indian Affairs and Northern Development. Since the minister's statement of August 8 specifically exempts those lands in the Northwest Territories covered by treaties 8 and 11 from direct negotiation between the government and the native people, is the minister now prepared to reconsider that decision in light of the fact there is sufficient doubt about the aboriginal claims of the people in the Northwest Territories, and will he take into consideration whether those lands should now be included in any negotiations between the government and the native people in the Northwest Territories?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I cannot make a decision at this time because the legal aspects of the problem have to be considered by the Department of Justice. As far as I am concerned, I have said and I repeat today that I will be always willing to sit down with the Indian people of the Northwest Territories and try to find a way out of the difficulties in which they find themselves and in which we find ourselves. Not later than this morning I was approached by a person to that end and I said, as I always have said to the Northwest Territories Indians, that I am willing to meet them at any time to discuss the problem.

* * *

[*Translation*]

AIRPORTS

PICKERING AND STE. SCHOLASTIQUE—REASON FOR DIFFERENCE IN PRICE PAID FOR LANDS EXPROPRIATED

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to direct a question to the Minister of Transport.

Yesterday, we raised the issue of land expropriations in the Pickering and Ste. Scholastique areas. Can the Minister tell us why there is such a big difference between the rates paid for expropriations in the Pickering and Ste. Scholastique areas?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am having this situation investigated. There are several reasons why the rates should be different. I think that this will be nothing new for the hon. member if I say to him that some lands and properties do have a higher value than others and all this has to be taken into consideration. For a $100,000 house built in Pickering, we do indeed pay the full value. When comparing this with a $30,000 house in Mirabel, one should not infer discrimination.

Mr. Caouette (Témiscamingue): A supplementary question, Mr. Speaker.

In my opinion, it is not so much a question of the houses which have been bought. I should like the hon. minister to tell us why $300 million can be spent to buy 18,000 acres of land in Pickering, while it is not possible to spend more than $125 million to buy 80,000 acres of land in Ste. Scholastique?

Mr. Marchand (Langelier): I think that this is putting the question in a somewhat simplistic manner. Out of the 80,000 acres of land which have been expropriated in Mirabel, some were fallow lands which could have been bought by anybody. The market price of a piece of land can very well be arrived at and I think that the hon. member could do it. A piece of land in full production does not have the same value at all. It would be like comparing potatoes with oranges. Therefore, I do not feel I am in a position to answer this question.

* * *

[*English*]

LABOUR RELATIONS

RESTORATION OF NORMAL RAILWAY SERVICE IN LIGHT OF FAILURE OF SOME EMPLOYEES TO RETURN TO WORK

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Minister of Labour. Keeping in mind the provisions of Bill C-217 as amended by the House, can the minister advise when it is reasonable to expect rail service to be back to normal in Vancouver and other affected areas?

● (1120)

Hon. John C. Munro (Minister of Labour): Mr. Speaker, there was a desire on the part of many in Vancouver for an explanation of the provisions of the bill. That is being supplied in detail, although I have the conviction that the details of the bill have been explained to all those concerned throughout the country. I would like to indicate to the hon. member, and naturally I hope to have his support, that we cannot tolerate further open defiance of the laws of parliament. It is one thing to be reasonable, and we feel we have been reasonable, but we cannot continue to tolerate this defiance. I believe I speak for all parliamentarians and the government.

Some hon. Members: Hear, hear!

STEPS TO EXPLAIN PROVISIONS OF ACT TO RAILWAY WORKERS

Mr. David Orlikow (Winnipeg North): Has the Minister of Labour taken steps to send officials of his department who are well acquainted with the details of the act to

Vancouver, Thunder Bay or wherever there are difficulties to explain to the railway workers the provisions of the act and what the powers of the arbitrator are?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I have already indicated, and I reiterate, I am satisfied that the provisions of the bill have been explained and that those who are doing the explaining are fully aware of the provisions of the bill. That having been said, I believe the reasonable period in terms of explanation is at an end and we should insist on compliance with this act of parliament.

Some hon. Members: Hear, hear!

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to ask the Minister of Labour why he did not accept the request of various unions across the country that he go to Vancouver and explain the provisions of the bill, realizing his well known lack of desire for publicity?

Mr. Munro (Hamilton East): Mr. Speaker, I believe my position, and I think the right hon. member will agree, is to insist on compliance with an act of parliament that has been passed and not to lend any credence to anyone who may believe there is any way by which they can avoid compliance with this act. In the circumstances, I feel there are other appropriate ways of getting explanations to those who desire them. In fact, we have done that. I reiterate to the right hon. member I am now fully satisfied that all those who expressed concern are well aware of the provisions of the act and should now instruct all their men to comply with its provisions.

Mr. Diefenbaker: In view of this declaration, have any informations been laid or when are they going to be laid?

Mr. Munro (Hamilton East): Mr. Speaker, I have already indicated that if we are going to insist upon compliance with the act, action will have to be taken very shortly indeed. This reasonable period in terms of explanation is just about at an end. The right hon. member has just expressed an inclination that these explanations should be offered. Indeed, I believe the implication of his question was that I should have done it. I take it from that that he has no disagreement with the procedure to date. I would hope I would have his support when I insist on behalf of all members of parliament that there now be compliance with the provisions of the act of parliament.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will recognize the right hon. member for Prince Albert for one further supplementary and then the hon. member for Hamilton West.

Mr. Diefenbaker: With this vast accumulation of words to conceal information, will the minister now say whether any informations have been laid or, if not, when they are going to be laid? That is a very simple question. It cannot be evaded by the kind of language in which the minister has been engaging.

[Mr. Orlikow.]

MANPOWER

LOCAL INITIATIVES PROGRAM—ADVERTISEMENTS RESPECTING CONSTITUENCY ADVISORY GROUPS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration related to the LIP program. Why did he or his department find it necessary to publish advertisements in the papers in the last two or three days indicating that constituency advisory groups would be set up when, in fact, he had asked for the opinions of members of parliament, which opinions were supposed to be in his hands today, as to the efficacy of constituency advisory groups? It seems to me the minister's letter was a sham and a farce. Would he explain the circumstances to the House?

Hon. Robert K. Andras (Minister of Manpower and Immigration): We will certainly hold to the intention of offering members of parliament the opportunity to make the decision whether there should or should not be such groups within their constituencies. It is a legitimate choice because some constituencies, by reason of their make-up or structure do not lend themselves, at this stage anyway, to the operation of local advisory groups. If the hon. member reads the advertisement carefully I think he will find that an attempt is being made to make provision for more local input concerning decisions as to the desirability or otherwise of projects. The indication was given that in a typical constituency such a choice would probably be made. There was no attempt to put the hon. member on the spot.

Mr. Alexander: Notwithstanding what the minister has said, there was an indication of pressure placed on members of parliament to go along with these constituency advisory groups. To my mind the advertisement was very misleading. Can the minister tell the House that projects categorized as essential or desirable by constituency advisory groups will be accepted for funding by the minister? He has left the impression with the community that the constituency advisory groups would have the final say. Is this a fact or is it not?

Mr. Andras: I think the advertisement refers to consultation and respect for that consultation, but I want to make it absolutely clear, as I did in my letter to hon. members and in any public statements I have made, that while consultation will be a major factor in the decision-making process, ultimate authority for the approval of projects or otherwise will remain with the minister, who must accept that responsibility.

Mr. Alexander: Is it the intention of the minister, in order to give some credibility to his statement and to the policy that has been announced, to break down the $83 million by constituencies in order that we can ascertain whether, in fact, constituency advisory groups will have the opportunity to have their projects funded?

Mr. Andras: Every constituency will have the same opportunity. The exact amount allocated to constituencies will be subject to already committed negotiations with the provincial governments. The allocation as between provinces has already been decided upon under a formula that

has existed in the past. As I have said, allocation within a province will be subject to discussion with the province concerned, but it will be based primarily on allocation to areas of high unemployment.

Mr. Erik Nielsen (Yukon): Since not all hon. members intend to involve themselves in the scheme proposed by the minister and since the advertisements appearing in the national press leave a very positive impression in the constituencies that their member of parliament is involved, will the hon. gentleman cease and desist, or give instructions to his officials to cease and desist, from publishing, as he has, the kind of advertisement which indicates that all members are involved?

Mr. Andras: I was under the assumption that all hon. members would wish to take some responsibility in this matter. We have received many representations in the past year.

Mr. Nielsen: Not from all members.

Mr. Andras: Maybe not all. Maybe the hon. member wishes to avoid that responsibility. But many other hon. members have indicated to me that they wish to make a definite input when these projects are considered. I think this is a commendable suggestion on their part and I have followed it through to the best of my ability.

Mr. Nielsen: Will the minister answer my question and stop publishing the advertisements?

* * *

AGRICULTURE

IMPLEMENTATION OF MILK SUBSIDY—RESULT OF MEETING WITH PROVINCIAL MARKETING BOARDS AND INDUSTRY REPRESENTIVES

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, my question is for the Minister of Agriculture. Can the minister advise the House as to the result of the meeting that took place Wednesday between provincial marketing boards and industry representatives in connection with the implementation of the milk subsidy announced by the Prime Minister?

Hon. E. F. Whelan (Minister of Agriculture): A further meeting is being held today. The response, as I said at the time, was fairly good. They are trying to iron out the technicalities—I guess that is the best way of saying it.

Mr. Grier: Mr. Speaker, on Wednesday, in reply to a question I directed to him, the Prime Minister referred to either the containment or a roll-back of milk prices as a result of the subsidy. Can the Minister of Agriculture confirm that his written announcement of the same date referring to the definite expectation of a roll-back is in fact a government policy objective?

● (1130)

Mr. Whelan: Mr. Speaker, it all depends on the agreements that we come to with the individual provinces which control fluid milk marketing for human consumption. These consultations are taking place.

MILK—REQUEST FOR ASSURANCE OF SUFFICIENT PRICE TO FARMERS

Mr. A. P. Gleave (Saskatoon-Biggar): I have a supplementary question, Mr. Speaker. In giving consideration to subsidies, roll-backs and so on, will the Minister of Agriculture assure the House that the dairy farmer will receive a price sufficient to cover his costs of production and to enable him to stay in business so there will be enough dairy production to serve the needs of the people of Canada?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think federal action regarding industrial milk and the actions of the provincial marketing boards to try to guarantee producers a proper return, particularly the two main marketing boards in the provinces that produce over 80 per cent of the milk, prove that they are concerned. This government is concerned to see that consumers of milk do not have to bear this extra cost any more than they can afford to do so. This is why we are making this proposal to them at this time. I reiterate that our actions show our concern, and that the meeting we are calling on September 27 with the provincial Ministers of Agriculture, and with the leaders of the national farm organizations which will take place prior thereto, show this concern even more so.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

QUEBEC—ASSISTANCE TO DESIGNATED AND SPECIAL ZONES—REQUEST FOR STATEMENT ON NEGOTIATIONS WITH PROVINCE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I realize that the Chair is absolutely right in view of the statement made yesterday. I should like to direct a question to the hon. Minister of Regional Economic Expansion.

Considering that a few months ago the minister announced that negotiations were under way with the provinces concerning the assistance program for areas in special and other zones, can the minister tell the House whether he will soon issue a statement following his talks on this subject with the Quebec government so that the people in charge at the municipal level may be made aware of the situation as soon as possible?

[*English*]

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, very intensive discussions at a high level have been going on between officials of the department and the government of Quebec, indeed, with all provincial governments. I am happy to tell the hon. member that in the case of the province of Quebec substantial progress has been made with regard to agreement on a general development policy for the province of Quebec affecting not only my department but other federal agencies. It is our hope and expectation that a general development agreement will be ready for conclusion and signing later in the present year, I hope within a matter of perhaps a month or six weeks.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I should like to ask a supplementary question to the Minister of Regional Economic Expansion.

May I ask the minister if the negotiations are progressing well enough that we may hope to learn about the nature of the master agreement before the end of September?

[*English*]

Mr. Jamieson: Mr. Speaker, as I indicated, it is not my expectation that the work can be concluded by the end of September. The fact is that, in addition to the general development agreement, we are also examining a number of supplementary development agreements under the umbrella approach. It is our hope that two or three of these can perhaps be introduced, if not simultaneously, certainly very quickly after the development agreement. However, if the hon. member has anything specific in regard to a particular region I would be glad to try to elaborate for him.

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CONSUMER AFFAIRS

MONITORING OF SALES TAX AND TARIFF CUTS TO ENSURE BENEFITS REACH CONSUMERS—REQUEST FOR REPORT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs who for some seven months has been refusing to make a report on the results of any monitoring of the anti-inflationary effects and reduction of prices that the budget of the Minister of Finance was supposed to produce. Can the minister tell the House, after seven months of delay, when we may expect to have this report? Can he give us a precise date when we may expect this report?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Leader of the Opposition is incorrect in suggesting that I have been refusing to prepare a report. Work on this has been going on. I expect it to be completed about the middle of September. It will be delivered to the Minister of Finance, following which I trust its conclusions will be made available appropriately to the House and the public.

Mr. Stanfield: Would the Prime Minister give us the assurance that these games regarding this report on the monitoring effects of the budget, which has been so long promised and so long delayed, will stop and that the report will be presented to the House and rapidly as possible?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I will gladly renew the assurances just given by the Minister of Consumer and Corporate Affairs.

[Mr. Jamieson.]

NATIONAL REVENUE

POLICY RESPECTING DELIVERY BY RCMP OF NOTICES TO TAXPAYERS DEMANDING INCOME TAX RETURNS—NAME OF DEPARTMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask a question of the Minister of National Revenue. Is it the policy of the Department of National Revenue to have the RCMP serve and deliver notices to taxpayers in various cities and elsewhere simply entitled "Demand for Income Tax Returns as prescribed by form No. 2", when in fact there is no prosecution involved or even quasi-criminal proceedings anticipated?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, if the hon. member would like to give me details of his concern I would be glad to look into the matter.

Mr. Woolliams: Did the minister authorize the forwarding of a memorandum to the various Department of National Revenue offices across the land advising that the new name of the department in question will be "Revenue Canada, Taxation", and are those instructions now being withdrawn along with the memorandum sent out by his department? If so, why?

Mr. Stanbury: No, Mr. Speaker. As the hon. member and other hon. members know, for some time a short description of departments has been used and a short description is used in our department as in others. But the fact is that the name of the department has not been changed and it is not expected that it will be changed.

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PUBLIC SERVICE EMPLOYMENT ACT

INQUIRY AS TO INTRODUCTION OF AMENDMENTS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. Now that the government has brought before the House a bill dealing with the benefits accorded retired employees of the government of Canada, would the minister inform the House when the government intends to bring forward the amendments to the Public Service Employment Act which were promised in the Speech from the Throne but have not yet seen the light of day?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, these provisions are still in the process of being drafted. We hope to bring them forward at the earliest possible date.

Mr. Baker: Is there any truth to the rumour that is rampant in the city—

Mr. Speaker: Order, please. The hon. member knows that a question couched in those terms is out of order.

Mr. Baker: Then may I rephrase my question. May I specifically ask the minister whether he will undertake to introduce this legislation perhaps within the next two weeks, and also undertake that this important piece of

legislation is not going to be delayed in order to be included in a bag of election goodies at the next election?

Mr. Speaker: Order, please. I would seek the co-operation of all hon. members in enabling the Chair to recognize as many questioners as possible by limiting the number of supplementaries between now and the end of the question period. A number of members have been waiting to ask questions during the last few days and the Chair is anxious to give them an opportunity to do so. This can only be done with the co-operation of all hon. members.

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TRANSPORT

REQUEST FOR TRI-LEVEL COMMITTEE STUDY OF TRANSPORTATION PROBLEMS IN SOUTHWESTERN ONTARIO

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the sartorially splendid Minister of Transport, if he is listening to me. I should like to repeat the essence of the question I asked him on June 27, at which time he asked for more time. Is the minister now willing to accede to the request of the Midwestern Development Council that a tri-level committee be struck to inquire into all aspects of transportation needs in southwestern Ontario?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I regret that my translation system is not working.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): My normal answer would be "in due course", but if the hon. member would repeat his question I will borrow my seatmate's system.

● (1140)

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, the question I asked was whether the minister is now going to accede to the request of the Midwestern Development Council, which had a meeting with the minister some three and a half months ago, that a tri-level committee be struck to look into all aspects of transportation problems in southwestern Ontario, including passenger transportation?

Mr. Marchand (Langelier): Mr. Speaker, I do not recall having received this request, but I will inquire of my department and if it is there I will give an answer on Monday.

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CORPORATE AFFAIRS

POSSIBLE INCREASE IN ACTIVITIES OF TEXASGULF FOLLOWING PURCHASE OF CONTROL BY CANADA DEVELOPMENT CORPORATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question was for the Minister of Transport who apparently has just stepped out of the House. I will direct it to the Prime Minister. In view of the fact the green light appears to be on for the purchase of Texasgulf by the Canada Development Corporation, I should like to ask the Prime Minister, if he is listening, or some other minister, whether he can say, in view of the fact the Canada Development Corporation has now been given the green light in respect of this purchase and in view of the fact the government is the sole owner of that corporation, that the activities of Texasgulf in this country will be stepped up in terms of investment, jobs, research and development?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure those representations by the hon. gentleman will be heard by the directors of the CDC who, as the hon. member knows, under the law have a great deal of autonomy.

Mr. Nystrom: In view of the relatively successful job the CDC has been doing, and in view of the fact the corporation is supposed to be going public, can the Prime Minister say whether any consideration is being given to keeping this Crown corporation wholly owned by the people of Canada?

Mr. Trudeau: Mr. Speaker, there are several Crown corporations which are wholly owned by the people of Canada. I cannot answer a hypothetical question.

* * *

HEALTH

POSSIBILITY OF CAMPAIGN TO COMBAT GLUE SNIFFING

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is for the Minister of National Health and Welfare and arises out of an undertaking given several weeks ago by the minister to the right hon. member for Prince Albert. At that time the minister advised he would consider a campaign to combat the problem of glue sniffing in Canada. Can the minister now advise the House whether his department is ready to conduct such a national campaign and whether it will include warnings against other solvents and drugs?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I do not remember having given a commitment to the right hon. member, but this matter is under continuous study. I think I said at the time that it was a very complex issue and that glue sniffing, indeed, was only one element. There are many other aspects involved. No large campaign is planned at the present time. It is more a matter of providing information to the public through the media on a general basis and as a result of questions like the one asked by the hon. member.

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EXTERNAL AFFAIRS

REPRESENTATIONS TO CUBA FOR RELEASE OF RONALD PATRICK LIPPERT SINCE VISIT BY FAMILY

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question I should like to direct to the Prime Minister. Follow-

ing the co-operative action in July of the Cuban government in permitting the sister and daughter of Ronald Patrick Lippert to visit him while a prisoner in Cuba, has the government of Canada made any representations whatsoever to the Cuban government since that visit by Mr. Lippert's family on behalf of the release of Mr. Lippert and, if so, can the Prime Minister report any progress to the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will pass the question on to the Secretary of State for External Affairs. I have not made any recent inquiries.

Mr. Cossitt: Mr. Speaker, I would ask the Prime Minister whether he is now prepared to change his previous inhumanitarian attitude and make a direct appeal to Prime Minister Castro—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member knows that a supplementary question asked in those terms is out of order. I would suggest to hon. members that after they have asked their questions in the first instance, we might save a bit of time if they would not ask a supplementary when there is perhaps nothing much to be added to the first question. I know hon. members very often feel they must ask a supplementary, but when we are moving toward the end of the question period a little more forbearance on the part of hon. members might help.

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[*Translation*]

HOUSING

SUPPLYING OF INFORMATION TO QUEBEC MUNICIPALITIES ON AMENDMENTS TO ACT

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to put a question to the Minister of Consumer and Corporate Affairs.

Can he tell the House whether or not Canadians took advantage of Bill C-133? Could he also tell us whether Quebec municipal authorities have received information on the procedure to be followed to take advantage of that new act?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, may I ask my hon. colleague to repeat his question?

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

SUGGESTED ADVANCED PARAMEDICAL TRAINING FOR OFFICERS WHO INVESTIGATE MOTOR VEHICLE ACCIDENTS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Solicitor General. As the police are often the first at the scene of an accident, is the Solicitor General considering a policy, in respect of those provinces whose police services are carried out by the RCMP, whereby RCMP officers will receive advanced paramedical emergency training, and many of their vehicles will be converted into police ambulances as in the city of Montreal?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, that is a very interesting suggestion. I would be very pleased to take it up with the RCMP to see what can be done.

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INDIAN AFFAIRS

SOUTH INDIAN LAKE DIVERSION—FINANCIAL ASSISTANCE TO RESIDENTS IN COURT ACTION

Mr. Keith Taylor (Churchill): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In view of the fact that the court case involving the South Indian Lake diversion will be going to trial shortly, and in view of the repeated requests by local residents for financial assistance, will the minister advise the House what financial assistance has been given by his department to these residents?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have no information on any financial assistance which may have been or may be offered. I shall look into the matter and report to the hon. member.

* * *

[*English*]

POST OFFICE

REPLACEMENT OF ROYAL CREST AND WORDS "ROYAL MAIL" BY WORDS "CANADA POST" ON MAIL BOXES AND TRUCKS IN VANCOUVER

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, in the absence of the Postmaster General I should like to direct my question to the Prime Minister. Does the appearance of the words "Canada Post" on mail boxes and mail trucks in Vancouver, coupled with the removal of the Royal crest and the words "Royal Mail", a practice which I notice has spread to Ottawa, indicate a change in government policy, and does it signal the end of the Royal mail in Canada?

Hon. Robert Stanbury (Minister of National Revenue): Mr. Speaker, I will be glad to take that question as notice for the Postmaster General, but I can say that I have noticed that the coat or arms is still on my local mail box.

Mr. Woolliams: You must have a private one.

AGRICULTURE

POSSIBILITY OF INCREASE IN SUBSIDY ON MILK USED FOR MAKING CHEESE

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. In view of the statement by the right hon. Prime Minister on Tuesday last respecting the subsidy on fluid milk to a maximum of five cents per quart, is the minister considering an increase in the subsidy for manufacturing milk used in the making of cheese?

Hon. E. F. Whelan (Minister of Agriculture): No, Mr. Speaker. We raised the return for manufacturing milk on August 1 by the equivalent of $1 a hundred. We had previously raised it, earlier in the year, by the equivalent of 60 cents a hundred. That is what the producers asked for at that time. We do know that some of their costs have gone down since that time.

PASSING ON OF ENTIRE BENEFIT OF FLUID MILK SUBSIDY TO CONSUMERS

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. Will he indicate specifically how the government plans to make certain that the entire benefit of the milk subsidy will be passed on to the consumer?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if it is not passed on to the consumer no one will receive it.

* * *

UNEMPLOYMENT INSURANCE

PROVISION OF BENEFITS TO RAILWAY EMPLOYEES LAID OFF BECAUSE OF STRIKE

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the fact that those railway employees who were laid off by the railway companies because of the strike but who were not directly involved in the strike still have not received a decision as far as unemployment insurance claims are concerned, and as many of these employees have not had any income for some six weeks, will the minister advise whether a decision has been made and, if not, will he see to it that a decision is made in the immediate future?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, a decision was made last week and that information was transmitted to all unemployment insurance offices across the country, along with an instruction to proceed with special measures to speed the processing of claims for those entitled to benefits.

Oral Questions

CANADIAN PACIFIC AIRLINES

ACTION TO HALT SERVICING OF AIRCRAFT OUTSIDE CANADA IN LIGHT OF MACHINISTS' STRIKE

Mr. Paddy Neale (Vancouver East): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact there is a legal strike in effect between the International Association of Machinists and Canadian Pacific Airlines, would the minister inform the House what action his department has taken to halt the ferrying of CP Air DC8 aircraft No. 801 to World Air Centre in Oakland, California, on September 9 of this year for overhaul and repair, as requested by the IAM by telegram on September 7?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, under international agreement all airlines can have their normal repairs made outside the country; this is not new. If they are doing it in order to avoid the strike, there are some other provisions in our laws that would prevent Canadian Pacific Airlines from doing so. I know that they asked to be relieved of those financial obligations, and I do not think that the government accepted that.

* * *

• (1150)

[*Translation*]

ENERGY

OIL—PROPOSED EXTENSION OF PIPELINE TO MONTREAL—IMPACT ON PRICES IN QUEBEC

Mr. Roch La Salle (Joliette): Mr. Speaker, in order to avoid a supplementary, I will ask a twofold question to the hon. Minister of Energy, Mines and Resources.

As regards the oil pipeline recently referred to in an announcement, since the information available at this time indicates that for many years to come imported oil in Quebec will cost less than western oil, can the minister give us the assurance that the implementation of that project would guarantee to Quebecers prices identical to those of imported products?

And secondly, would the minister also indicate, since his Quebec counterpart expressed his surprise at not having been consulted in that respect, whether it is his intention to negotiate or discuss the matter with the Quebec minister in the next few days?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to point out the fact that we have had discussions with Quebec representatives in July on all matters relating to energy, particularly on the construction of an oil pipeline to Montreal. And I will have next week the opportunity to meet with my Quebec counterpart and I will again be most interested in having his opinion on the matter.

As to prices, I must say that one of the considerations is that the international price of crude oil keeps on increasing; for that reason, we are very much concerned about a situation where the Montreal market must pay a higher price than other parts of Canada. It is for that reason—

Mr. Speaker: Order, please.

Mr. Macdonald (Rosedale): I apologize, Mr. Speaker, but—

[*English*]

Mr. Speaker: Order, please. Perhaps the minister would like to return to motions.

Mr. Stanfield: No, he would not.

* * *

CONSUMER AFFAIRS

PROSPECTIVE INCREASE IN COST OF WINTER CLOTHING—REQUEST FOR REMOVAL OF FEDERAL SALES TAX

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct my question to the Prime Minister. In view of persistent reports that winter clothing will cost 20 per cent to 50 per cent more this fall, will the Prime Minister immediately recommend to parliament the removal of the 12 per cent federal sales tax on clothing for adults?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. gentleman for the suggestion.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Trinity on a supplementary and then call orders of the day.

Mr. Hellyer: Mr. Speaker, in view of the fact that a 12 per cent reduction at the wholesale level represents an approximate reduction of 20 per cent in prices at the retail level, would the Prime Minister not agree that this is one of the most important measures this government could recommend to parliament—

Mr. Speaker: Order, please.

Mr. Trudeau: You are out of order.

Mr. Hellyer: —to give lower and middle income groups—

Mr. Speaker: Order, please.

Mr. Hellyer: —a chance to protect themselves against the winter cold?

Mr. Speaker: Order, please. Will the hon. member kindly resume his seat. He knows that a question asked in those terms is irregular.

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege now that we have come to the end of the question period. I did not want to impinge upon that. It involves the Minister of Manpower and Immigration and is similar to the question of privilege raised earlier in the session concerning the Secretary of State and his circulation of correspondence leaving the impression that he had the concurrence of all members of parliament. The minister is responsible for the appearance of certain newspaper

advertisements throughout the country leaving the positive impression that all members of parliament are involved in some kind of organization which he wishes to set up in communities under the Local Initiatives Program.

It is not a question of wanting to avoid responsibility but rather a question of the right of members to reject the minister's offer of inclusion in this scheme. All members of the House have not agreed nor have they answered the correspondence that has been circulated by the minister. It is therefore not within the minister's right, by virtue of his office or any other reason, to leave the impression in national newspaper advertisements that all members are involved in this scheme. I personally want no part of the approval of a grant for the making of wooden ducks by a motorcycle gang in Montreal or grants to count tombstones or seagulls.

My question of privilege, put succinctly, is that the minister, not having agreed to remove that advertisement, should rise now and say that he will have it redesigned so as to remove the impression that he has the co-operation of all hon. members in this scheme of his. That is my right and I insist upon it. I wish the minister would give his assurance that he will do that.

Some hon. Members: Hear, hear!

Mr. Andras: Mr. Speaker, I do not think I will have another advertisement prepared suggesting that, but I will certainly note that I do not have the co-operation of the hon. member.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (SUPPLEMENTARY RETIREMENT BENEFITS) AMENDMENT ACT, 1973

PROVISION FOR REMOVAL OF TWO PER CENT LIMIT ON ESCALATION, REDUCTION OF ELIGIBLE AGE

Hon. C. M. Drury (President of the Treasury Board) moved that Bill C-220, to amend the statute law providing for the payment of supplementary retirement benefits to certain persons in receipt of pensions payable out of the Consolidated Revenue Fund, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, I wish to say a few words to explain the details of the bill to amend the Supplementary Retirement Benefits Act. The principal reason for introducing this bill is to provide that increases in the consumer price index will be fully reflected in the escalation of benefits payable under this act. As hon. members will recall, I have stated in the House on a number of occasions that the government's objective was to remove the 2 per cent ceiling on the annual increase of pensions payable under this act, but I had suggested that this should be

sought at the time of an agreement with the provinces that the 2 per cent ceiling on increases of pensions under the Canada Pension Plan would also be removed.

At the present time, the pension index for the purposes of the Supplementary Retirement Benefits Act is the equivalent of the pension index under the Canada Pension Plan, as the latter was defined on January 1, 1970, with the result that any annual increase in the pension index is subject to the existing limit of 2 per cent now provided for in the Canada Pension Plan.

It is, however, not expected that this decision on the Canada Pension Plan will be reached before the meeting of the federal and provincial welfare ministers in October. As one element of the government's measures to mitigate the effects of price inceases on those unable to protect their incomes, the government has now decided to proceed without waiting for that agreement. Accordingly, the amendments proposed in this bill will remove that 2 per cent limitation and provide that any increase in the consumer price index will be fully reflected in the escalation of benefits under the Supplementary Retirement Benefits Act. The proposed increase will reflect the full change in the consumer price index since the Supplementary Retirement Benefits Act was passed in 1970 or the year in which the pensioner concerned ceased to be employed, whichever is the later. As a result, the new pension increases payable in 1974 will range from an increase of about six and a half per cent for those who retired in 1973 to about eleven and one half per cent for those who retired in 1970 or earlier.

When this act was passed in 1970, a shared cost method of financing was provided whereby the contributions of members of the public service, Canadian forces, RCMP, as well as members of parliament was established at half of 1 per cent of their salaries with a matching government contribution. This was intended to meet the cost of the pension increase for those already retired from the public service as well as those who retire within a seven year period, after which additional revenue was expected to be required.

• (1200)

This approach had been proposed by a special committee made up of the members of my advisory committee on the Public Service Superannuation Act and representatives of the Canadian Forces and the RCMP. In considering the increased cost of the amendments under this proposal, the advisory committee was concerned about asking present members to increase their contributions in order to pay for greater pension increases of those who had already retired.

The government appreciated the viewpoint of the advisory committee and is therefore proposing that, effective from January 1, 1974, it will assume the cost of all escalation for all those who retired before 1970 and the balance of the cost of the escalation of pensions of persons retired since 1969 which is not covered by matching contributions made by those persons and by the government with respect to them.

In the long run, the contribution of half of one per cent together with the government's matching contribution will almost certainly be insufficient to cover the cost of escalation for employees now entering the public service with an average working life of 30 years in the service ahead of them. Under certain assumptions it would be necessary to increase the contribution rate in the very near future if such an employee is to pay half the cost of his pension escalation after retirement. Under other assumptions it would not be necessary to do so for a few years. The government is proposing to adopt a phased approach under which the present rate of contribution would be raised by half of one per cent each, effective January 1, 1977. What further increases might be required in later years will be determined by future parliaments.

The third feature of this bill on which I would like to comment relates to the age at which the escalation of pensions of former members of the public service, Canadian Forces, RCMP and members of parliament can commence unless they are disabled. At the present time the act provides that this age should be 60.

Since 1970, the amendments to the Public Service Superannuation Act which lowered the age at which public service employees could retire from 60 to 55 if they had 30 years of service created anomalies between the public service employees and members of these other groups. I assured hon. members from time to time that the government was concerned over these anomalies and would propose amendments to the act to take care of them when this legislation was introduced.

Accordingly, this bill provides for a lowering of the age at which escalation will commence for former members of the Canadian Forces, the RCMP and members of parliament, from 60 to 55 for those who have 30 years of service, to 56 for those who have 29 years of service, and so on, while all other persons on pension in those groups receive their increases on attaining the age of 60. The present provisions for eligibility of immediate escalation in the case of disability are not changed.

This formula has been determined after consultations with representatives of the Canadian Forces and the RCMP, bearing in mind the assumptions regarding cost factors mentioned earlier, and the amendments which were made in the Public Service Superannuation Act last year. Since those amendments led to increases in the pensions of civil servants retiring after age 55 with 30 years of service with effect from January 1, 1973, the amendment which introduced this new formula will have retroactive effect to that date under the terms of this bill. Mr. Speaker, I commend second reading and passage of this bill to the House.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I note that last night in one of its rare lapses *Hansard* made a mistake and quoted me as suggesting that in my eagerness to speak I had done such and such, whereas I had said in my eagerness to be agreeable I made a certain determination. Today I am not eager to speak, but I am agreeable to any scintilla of help that the government might bring forward to assist any group of people in this country.

I have found a certain element of fascination in this particular measure. I have known the President of the Treasury board (Mr. Drury) for a number of years. I have heard him speak in this House a good many times, but this is the first time I have seen him come before the House in the role of the dispenser of goodies.

He has generally been the man who knew how to say no, no, to increases for this group of public servants, no to that group of public servants, no when he was asked for more flexibility in dealing with the post office workers, no when it was pointed out to him time and again that he was injuring terribly the people in many parts of the country by his extension of the iniquitous prevailing wage rate system. He was the man who said no when it was suggested that those who were longshoremen on the east coast deserved the same pay as those on the west coast. He said the same thing about the nurses. He also was the one who was not able to say yes when we protested that firefighters at the Charlottetown airport were not properly served if they were getting a lower rate than firefighters in other parts of the country. It is not, I suppose, quite right to say that Scrooge has become Santa Claus, but it is interestingly close enough to attract the attention of those who have watched this minister so long.

Something less pleasant is the impact on any thoughtful member of parliament that here is another measure which illuminates and dramatizes the extent of inflation which is raging across the country. We are trying in this measure, as we tried in the one yesterday, to bring about some small measure of amelioration, some tiny piece of protection against something which is rampaging the land and affecting the people of Canada, every one. It is another partial measure, and of course in so far as it does help we are glad that it has come about although it has been a long, long time coming.

One of the distressing things about this resumed emergency session of parliament is the lack of alacrity, if I may put it that way, of the government in bringing forward such measures as it deigns to ask to be legislated. I think that in all my years here I never before found myself getting ready for a sitting of the House without, until an hour or two before I went into the chamber, having any idea of what, in fact, would be on the parliamentary agenda for that day. It not only took the whole of the session before, but the whole of the recess and of the resumed session for a determination to be made that the three measures we now have before us would be introduced. This indicates something less than a galvanic ability to deal with the problems of the land.

The bill is also startling and dramatic when you read that the figure 2 per cent was once regarded as something less than fantastic, unreal, as a cost of living escalator. But that figure is not a drop in the bucket with the inflation we have now, something like 14 per cent in those essentials of daily life per year. Of course, many people thought at the time that the 2 per cent was unreal and inadequate, but how far from reality it seems today. One would think we were talking about a bygone era, yet it is only a few years ago that 2 per cent was within the bounds of possibility.

● (1210)

The bill also causes us to reflect again upon the fact that certain groups of Canadians, in this case those who have served the country well for a long time, have been bearing the burden of inflation. The people to whom this measure refers are Canadians who have served the government, who have served the people for many many years. Most thoughtful people in our society, even in these days of early and easy obsolescence, have pondered about their future. A great financial institution at one time had the slogan, and they may still have it, "Make your future more secure". We used to believe that whatever disadvantage there might be in entering the Public Service, at least there was security. Now, we know what has happened to that security. We know that many public servants who thought they had a pension which would give them security in their later years, have found it to be totally inadequate.

One of the disturbing things that I have noticed in recent months is the actual discomfort of so many of the people involved. There are thousands upon thousands of Canadians whose plans for retirement have been altered because the purchasing power of their dollar has been diminished. Every day we get letters from people who had thought that by careful planning they would be able to retire at such and such an age. Not long ago I talked to a very bright executive in a private company who was ready to retire next year. However, he said that considering what the dollar buys today he will have to work for at least another five years, and if this inflation continues he will never be able to stop work completely. This is a man who is not by any means on the bottom rung of the ladder.

Mr. Speaker, inflation is the sworn enemy of any kind of security that thoughtful people have tried to provide for their families and their own declining years. Inflation that has got out of hand is more than a political problem, more than the subject of political argument. It is a grim and, I would say, a criminal social problem which effectively shatters the future plans of people because of a government's inability to keep the economic and fiscal operation of the country under reasonable control. To tell people living in a country where inflation is soaring that they will make their future more secure by doing such and such a thing is preaching an incredible and incredulous doctrine.

It is interesting that a portion of this bill refers to something which is just and proper, that is the dropping of the age to allow people with long service to retire earlier. Yet because of the effect of inflation, the diminishing value of the dollar, many people are finding that they have actually to work longer. In a country like this, any citizen at age 60 should be able to step out of the work force if he wishes and have his future needs looked after. But the opposite prevails.

I am not going to go into these matters in detail, Mr. Speaker, but just want to make a few more general remarks. There is one group that we have to take note of and that is members of parliament. The member of parliament is used to being a target because of what he is able to eat and what kind of office he is supplied. I even noticed some criticism recently about the gymnastic facilities that members have on the hill, and I thought I should go about the country demonstrating that probably no group needs them more tham members of parliament!

However, I was looking at the report on members of parliament retiring allowances. I discovered that only one person of the many who have come here, having given up their profession or business, was in the top bracket giving him an annual pension of $8,000 to $8,999. I believe that man was in the House for about 30 years. The next man

was in the $5,999 bracket and he had about 20 years service. This is an indication that the affluent society does not occur within this supposedly select group. Like all other people, this group requires the kind of thing that the bill provides. We have known for a long time that the 2 per cent escalation was not reasonable for retired public servants, and even at this late date we are grateful that it has been removed from the legislation. We will do our part in that regard, Mr. Speaker.

Many members hear from former members of the RCMP and the railway people who are suffering now because they find that their pensions are insufficient. There is not a group mentioned in the bill from which I have not had letters revealing their anxiety and I imagine all hon. members have received letters as well. Much more must be done than is provided in this bill.

I was sorry to hear the minister indicate that the change in the Canada Pension Plan will have to wait. Just the other day I expressed the view that I was shocked that discussions on these matters had not taken place with the provinces long ago. How long do we have to watch inflation growing more burdensome before something is done about it? We should have had that consultation and that approval already. I cannot accept the thought that any province would not agree to an increase on the 2 per cent and I cannot believe that such consultation would take more than a couple of hours. I do not think it is necessary to wait for a plenary session of the ministers of social welfare of the whole nation. It is inconceivable that any province would stand in the way of approval, but I think it is up to the dominion government to move on this. I am not content that it should be let go for a while longer and when it is before us this party will help facilitate its passage.

In all of this the hundreds of thousands of Canadians on private pensions and the poor people who have no pension plan, have been left out. They are the victims of maladministration and, as the Prime Minister (Mr. Trudeau) himself revealed the other day, they are the victims of a faltering conception of how bad the problem is and a limping approach toward remedial action. One wonders how long it will take those who have responsibility to be fully aware of the urgency of the situation. To govern a nation entails a heavy responsibility. That responsibility becomes tremendous when the economy of a country is in the state of our economy.

• (1220)

The government of the day, in its mental approach to these problems, should act as if an emergency faced it. There is no need for the languid approach which says, "We will leave it until October; we will slap another 2 per cent on here and, in the interim, add a bit to family allowances." Why need the family allowance be $12 instead of $20? These discussions were promised months ago. Did somebody say that $20 is too much? If a bill can provide for $12, surely it can provide for $20. I am no genius at mathematics, but even I can see that. Surely, if it was thought last spring that the need was for $20, what has happened to the cost of living cannot make one say that the need has diminished to $12. If someone last spring thought that $20 was an adequate figure for a family allowance, how could it be said, after the way food costs have been soaring in the months since the original announcement, that the increase should now only be up to $12. These things are incomprehensible, indefensible—

Mr. Knowles (Norfolk-Haldimand): And reprehensible.

Mr. Macquarrie: —and reprehensible, as the hon. member for Norfolk-Haldimand (Mr. Knowles), who has a fine vocabulary, suggests.

There are some problems connected with this bill. Questions will be raised by my colleagues. One is somewhat leery of the general principle whereby certain people, namely, the contributors to these pensions, are to be soaked for inflation which they did not create, and soaked at the say-so of the government that created it. There is something unfair about that. It is not retired civil servants who are responsible for our roaring inflation.

Mr. Baker: Nor the serving ones.

Mr. Macquarrie: Nor is it the serving ones, either. Yet the government, which is responsible, says to civil servants, "Okay, we will increase your contributory responsibilities because we are responding to this and dealing with it." That attitude reminds one of the old president of the treasury board. That is the kind of thing I would have expected him to do in his dealings with postal workers and people at the suffering end of the prevailing wage rate. Was it Shakespeare who said, "For this relief, much thanks"? I would be begrudging if I did not say, "For what is there, thanks; we appreciate it." But this is long overdue and it is not enough. At least it is something. For that we are thankful.

Having made that observation, I will take my seat and assure the minister that, despite the observations I have made, we will not stand in the way of this legislation. I hope he will show an unaccustomed willingness to listen to others and accept from some of my collegues helpful suggestions on how best to cope with this problem which the people referred to in this legislation have borne for far too long in this country.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I agree with the hon. member for Hillsborough (Mr. Macquarrie) that any bill relating to any facet of pensions raises the whole, broad question of the adequacy or inadequacy of many of the pensions of the people of this country. I also agree with him very strongly when he says that the problem of inflation hits pensioners with particular force and, aware of the problem as we are today, it behooves us to make improvements in all our pension plans. Indeed, I urge that when we talk about the need for improving all pension plans, we think not only of those plans that come under the aegis of government, but that we increase our concern about the adequacy and safety of the provisions of private pension plans.

There is legislation on the federal statute books and on the statute books of our provinces, I believe, which provides standards for pension plans. There are also provisions in the income tax regulations which do the same thing. In my view, these items of legislation and these regulations need to be overhauled. We need to take a close look at the whole pension picture in this country.

Nevertheless, before us at the moment is a bill dealing with just a sector of the pension picture. Indeed, if my statistics are correct, I believe it affects about 100,000 people who are retired. I arrive at that figure by adding up the number of retired federal civil servants, plus their widows and orphans, and the number of retired personnel of the RCAF and Canadian Armed Forces as well as other groups referred to in this bill. I doubt if the total actually is 100,000, but it is of that order.

For those 100,000 people and for those others who are working for the federal government and will join that retired group in due course, this is a very important piece of legislation. However, if I may hark back to what I said that I agreed with the hon. member for Hillsborough, I regard this bill as important not only to the 100,000 persons it will affect immediately, but important, as well, because it establishes a principle which I hope will soon be extended to all pensioners in this country; that principle is the right to have pensions escalated after retirement, and escalated at least to the extent of the full advantage increase in the cost of living. Accordingly, I have no hesitation in saying that I welcome this bill. Indeed, I welcome it warmly. That does not cut off my right to be critical about it and to suggest that some other things should be in it. But in so far as this bill improves the pension position of retired public servants and of those in other groups, I am glad that this bill is before us.

When I think of some of the red letter days I have experienced in my years in parliament, I have to admit that one that stands out is December 19, 1969, when the minister who is piloting this bill through the House announced for the first time that the government was going to bring in legislation providing for the annual escalation of the pensions of retired public servants. It is almost 30 years since the first group of retired civil servants came to see me and asked me to go to bat for them with the proposition that their pemsions should be increased after retirement. I am happy to say that two or three of those who came to see me about this matter in 1944 lived to see their pensions escalated in 1970. One of them almost reached the age of 100 and enjoyed quite a bit of the escalation that was introduced.

● (1230)

When that proposal was made on December 19, 1969, and put into law in what was Bill C-194 of that session, passed by the House of Commons on March 23, 1970, it was a pretty good piece of work on the part of the government and the House of Commons, even if it took 25 years of prodding to get it. It provided for persons who had worked for the government in the various categories listed guarantee of an annual escalation of their pensions because of increases in the cost of living.

There were two main shortcomings. One was the imposition of a 2 per cent ceiling on the amount of escalation that could take place in any one year, no matter how much the cost of living might increase. The other was a limitation of age 60. While it did not affect public servants generally, it did have an adverse effect on retired personnel of the RCMP and the Canadian Armed Forces.

Just as I had urged for 25 years that this piece of legislation be brought into effect, the President of the Treasury Board (Mr. Drury) knows I began urging right away that these two improvements be made. He and I have had many night sittings over this. It would take all day to look back over the record. I am glad that the hopeful things he said to me in a number of those late shows will be done some day. I will not even talk about the fact he was very firm that this could not be done until a similar change had been made in the Canada Pension Plan. I suppose the President of the Treasury Board was preventing my doing that by the explanation which he gave. The fact of the matter is these two main shortcomings have now been dealt with in whole or in part by the bill that is now before us.

As I understand it, as far as the 2 per cent ceiling on the escalation is concerned, it will come off completely starting in January, 1974. At one time there was talk that instead of just taking the ceiling off, it might be raised to something like 3 per cent or 4 per cent. Thank heaven that was not done, but that the ceiling is to be taken off completely.

From studying this bill and comparing it with previous legislation, I think there is a bit of a retroactive effect in this legislation which I welcome. This, of course, is a detail that can be dealt with when we get to committee. As I understand it, those who got a 2 per cent increase in 1971, 1972 and 1973, in each of which years the cost of living went up more than 2 per cent, will get the shortfall in the calculation of their rate of increase in January, 1974. In other words, in January, 1974, a public servant who retired in 1973 will get a percentage increase equal to the actual rise in the cost of living for this one year period. Those who retired in earlier years will get an extra percentage point or two for the years 1971, 1972 and 1973. The old timers, those who retired before 1970, can anticipate an increase in their pensions in January, 1974, in the order of 11 per cent, 11 and a fraction per cent or even 12 per cent. That is good. It will mean a great deal to many of these people.

I earnestly hope I have correctly understood it in this regard. In reading the bill, I tried to figure a way in which the government would have to pay some back dollars that it did not pay in 1971, 1972 and 1973 because the 2 per cent ceiling that was in effect then will now come off. I will leave that until we get to committee. However, I do think I am correct in my interpretation of the bill that in January, 1974, persons who were retired prior to 1970 will have a calculation in 1974 which is cumulative so they will pick up the portion of the cost of living increase which they did not get. This is another of those occasions when I am very happy to see the President of the Treasury Board nodding his head vertically. That is good.

One of the things about this life, if I can indulge in a philosophical utterance for a moment, is that we never reach perfection. There is always something more for which to strive. I will get to that in a moment. At any rate, for those of us who have fought so hard and so long for civil service pensions to be escalated by the full extent of the cost of living, this is another of those so-called red letter days.

The other thing that this bill does and to which the minister has drawn attention is to touch in a slight or a meagre way the question of lowering the age at which

escalation can come into effect, especially for retired personnel of the RCMP and Canadian Armed Forces. This is another subject we have discussed many times in the question period and in late shows.

As the minister just indicated, the way the law now stands, unless an RCMP or armed forces person retires early because of illness, he does not get the escalation until he reaches age 60, even though he may have served the full term he was permitted to serve under the regulations of those two branches of government service. Many people feel very badly about this. They point out they served their full term. They know the arguments the government has put forward about their pension plan being different and so on and that at these earlier ages, some of them can get other jobs. The fact is that many of them cannot. I have run into cases of persons who served out their term whereas they could have taken a retirement because of illness a year or so earlier and qualified for the escalation. However, because they served out their term, they were not able to do so.

When the rumour got around that this bill would do something about the age, I hoped the minister would bring it right down to 55 or 50 so that persons who had served their full term in the RCMP or armed forces would be entitled to the escalation of their pension the year after retirement. The minister has not done that. I think he likes these late shows in which he and I are often involved. It must be that he likes to leave something so that I can still go after him.

All that is being done is to provide retired armed forces and RCMP personnel to pick up their escalation at 55 if they have 30 years service, 56 if they have 29 years service, 57 with 28 years service, 58 and 27 years service and 59 if they have 26 years service. Why do we have to take two or three bites at the cherry? Why could the minister not have dealt with this in one action and met the points these people have brought forward? In any event, this is another case of welcoming what is before us, but wishing the minister had gone all the way.

Despite those words of criticism, I regard this bill as extremely welcome. I know that retired civil servants who will be affected by it will be pleased to know that in January they will get an increase in their pension based on the actual cost of living, particularly the old-timers who retired before 1970. I think particularly of the old-timers who were retired before 1970 who have the prospect this January of a pension increase of perhaps 11 per cent, or possibly even a bit more.

● (1240)

The hon. member for Hillsborough made reference to the fact that there is one section of the bill which deals with retired members of parliament who are on pension. I was one who was extremely annoyed, when Bill C-194 was brought in back in the session of 1969-70, to find that what some of us had fought to achieve for a long time, namely an improvement in the pensions of retired civil servants, had been linked with a massive improvement in the pension plan for members of parliament. The whole thing was put into one package. Some of us did not like what was done for MPs at the time as compared with what was being done for others; we moved the appropriate amendments and we took our stand about that. It is a matter of record, and those who were here remember it well. I speak as one who was opposed to the generosity of the arrangements made for the MPs, but I think it should be clear, now, that what is being proposed here does not change the basic scale of pensions for MPs at all, not make one cent higher the pension any present member of parliament will get on retirement. All it does is to remove the ceiling on the escalation of pensions for those who are already retired while, of course, it will remove it in the future for any members now here who will at some point in the future go on pensions.

In the main this is a piece of legislation which will improve things, if I may be non-partisan, for persons like M. J. Coldwell, Gordon Churchill and Jim Brown. I mention three people whose names I am sure are well remembered by those who have been around here for a time and I know that in the case of the first person I named, he went out on pension when the maximum was $3,000 a year, for all the service he had put in. He has received the escalations in pension which were provided under the existing act, which brought the pension up a little bit, but it is still a pretty small pension, much smaller than the one to which the hon. member for Hillsborough referred. I am thinking of people like Mr. Coldwell, Mr. Churchill and His Honour Judge Brown—I understand that the latter has retired from the bench because of ill health. I think all of us who knew them are not ashamed that in this legislation we are including for them an escalation of their pensions in January which will be equal to the actual increase in the cost of living, and in the case of Mr. Coldwell, since he went out some years ago, he will get the 11 per cent which will be available to him. Indeed, for these gentlemen we should be doing even more, and I felt, Mr. Speaker, that because some references are bound to be made to this aspect of the bill, I should make this point. I am still sorry it is linked with the other. I think that when we make provisions for MPs they should stand on their own feet and not be part of a package. But what this does is simply add an element of fairness to those who have already retired.

Now, Sir, I said that despite my appreciation of this bill, my readiness to welcome it and not to play the usual opposition role of saying it isn't as good as it ought to be, there are some things which remain to be done—not in this bill, but I hope they will be in some bill in the future. Before I get to that, may I just say a word about the costing arrangement? I have discovered already that some of those who did not like the one half of one per cent are therefore not likely to like the one per cent which is to come into effect in 1977. Still, it doesn't worry them today, because they think anything can happen between now and 1977. This is something I should like to discuss when we get into committee, whether it is really necessary at this point to provide for that increase in the premium to one per cent in 1977.

The more substantial things about which I should like to say a few words have to do with improvements which I think should still be made to the Public Service Superannuation Act and related pieces of legislation. I said a moment ago that one of the things about life is that we never reach perfection, and I am glad life is like that. "A man's reach must exceed his grasp, or what's a Heaven

for?"— isn't that the quotation? It is wonderful we have reached the point at which pensions are being escalated by the full amount of the cost of living increase. Wonderful. But it is not good enough. The day must come when pensions are increased by an even better scale such as the wage index or the gross national product. We got awfully close to this when we were dealing with veterans' disability pensions a few months ago, but in the end the government chickened out.

However, it is there, stated as a goal not only by some of us on the floor of the House but in a special report by an important joint committee. This comes to light when older retired civil servants write to some of us and note that civil servants who have succeeded them and who have now retired get a pension higher than the former civil servants got as salary when they were on the job. Many retired civil servants say to me: Doesn't it cost us as much to live in today's society as it costs the ones who retired last year? In other words, they are saying there should be a relationship between pensions and the rate now being paid either for the job those same civil servants did or the rate of pension now being paid. I think the most direct way to go at it is to establish an index based not just on the rising cost of living but on the rise in the standard of living and you can get that in one of two ways, either by relating it to the wage index or by relating it to the gross national product. I hope that as soon as we get this bill through, as soon as we get the principle of escalation by the full cost of living well established, the next crusade to get the cost of living escalated by an even better index will not take as long as this one did.

At some point I think there will have to be more discussion, especially with the representatives of the various public service organizations, about the whole basis of public service pensions. I know that many of the questions which are asked are answerable—questions about the fund and the amount of interest paid on the fund, whether higher pensions could be paid if the money were lent out, and so on—and I know the answers that are given to those questions, for I have heard them so often. But still there is uncertainty among public servants as to whether they are really getting the best pension that their contributions can buy, and I think the least to ask for is a further study of this matter. I think, also, there should be a review of the six-year provision, the provision which says a pension is based on 2 per cent per year of the average salary for one's six best years. Especially in these days, when increases are won a little more rapidly than used to be the case, and when they rise with a little more acceleration, there is an argument for reducing the number of years to five, or four, or even fewer.

I also think a serious look should be taken at the position of widows and at the pensions paid to women generally in the public service. I do not know why society accepts so easily that if a man and wife have lived together and built up their home, and one of them has done the work and the other has stayed at home, the pension arrangement is satisfactory if it provides that if the wife dies first the husband's pension continues at 100 per cent, but if he dies first, the pension for the widow continues at only 50 per cent. Why should it not be the same? Perhaps we will have to work this out and say 75 per cent for each of them, or what-have-you.

[Mr. Knowles (Winnipeg North Centre).]

• (1250)

I sometimes wonder in these days of women's liberation why there is not much more cry about equality in the pension field as between men and women. Mrs. Bird's committee dealt with this point briefly and drew attention to the fact that men in the public service pay 6½ per cent of their income into the public service superannuation fund whereas women pay only 5 per cent. The difference at the other end is that if a man leaves a survivor there is under certain conditions a survivor's pension. But a woman who had paid only 5 per cent into the fund cannot have any survivor at all, whether she is single or married.

I suppose that any call to women to pay the same percentage as men—in other words, to pay 6½ per cent instead of 5 per cent—would not be met with great enthusiasm by women in the public service. But if something were considered by way of survivor's benefits even for single women, for people whom they have helped support and so on, there might be some interest shown. I am just making the point that it seems to me that we are still living in the early 1900's in our concepts of pensions as between men and women, and that one place where we ought to sort this out ought to be in the field of public service pensions.

As I say, Mr. Speaker, I think there should be equality in pensions between men and women. I think the question of who can be a person's survivor should be looked at again, particularly in the case of single persons, whether they be men or women. And I think that the provision about a widow receiving only 50 per cent pension, whereas if a man survives he receives a 100 per cent pension, just is not right. I suppose this is part of the old attitude that a woman, after her husband dies, can try and find somebody else to provide a meal ticket for her and that the poor bereaved husband has to have a 100 per cent pension so that he can pick up another wife and have enough money to keep her. These ideas have gone and I think a good place for some new thinking about the structure of pensions is right in the public service field.

Perhaps even before we get to the position of equality among men and women we ought to give our public servants at least the same provisions that we give ourselves with respect to our own widows. We have our own Members of Parliament Retiring Allowances Act under which, if a retired member of parliament dies leaving a widow, providing she was married to him while he was a member of parliament, her pension is 60 per cent of what his was or would have been, whereas in the case of public servants' widows it is only 50 per cent. I suggest there is a basic unfairness there. I think it is terribly unfair on our part to have provided a 60 per cent pension for our widows but only a 50 per cent pension for the widows of public servants.

These are matters that have to be looked at. Hardly any of the ideas I have expressed on the floor of this House are new on my part, but apparently we have to keep on expressing them in order to get them considered. I urge that all of the various points I have discussed, such as a new escalation formula based on a wage index related to or on the gross national product rather than on the cost of living; a new look at the funding principle; shortening of the number of years on the basis of which a pension is

calculated; the relationship between pensions for men and women, and so on, should be looked at and given very thorough study.

I see we are getting pretty close to one o'clock and although my 40 minutes would take me past one o'clock, I shall conclude before one so that any member who has been planning to speak next can be ready at two o'clock.

I should just like again to put in a word for the recipients of the war veterans allowance. We have to do this every time. Some of these retired civil servants are on pensions that are pretty low. Whatever the reason for that may be, there is no argument that they are low. There are retired civil servants whose pension and other income is such that they also receive war veterans allowance. There is to be an increase in the pensions of those people in January, so here we go again: off it comes from their war veterans allowance, since there is a ceiling in that act.

The President of the Treasury Board will say that this question falls under the department of another minister, but the President of the Treasury Board is a pretty important member of the cabinet in all financial matters. Just as the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) and I have been urging that steps should be taken by the Minister of Veterans Affairs (Mr. MacDonald) to make sure that veterans get the full amount of old age security and the guaranteed income supplement increase without it coming off their war veterans allowance, so steps should be taken to see that retired civil servants who receive an increase in their civil service pension also get the full benefit of it and not have it taken off their war veterans allowance.

I also urge that action on the Canada Pension Plan not be delayed, that the 2 per cent ceiling must come off soon.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I am glad to see the hon. member for Hillsborough applauding, though I was even happier to hear the Minister of National Health and Welfare (Mr. Lalonde) say two or three days ago that he expects this to happen before January 1 next. He is much more positive about it now than he was earlier in the session.

There must be no failure in this respect. What we are doing for these 100,000 people we must do for all those thousands of people who are participants in the Canada Pension Plan. Escalation of their pensions, to take place in January 1974, must not again be limited to 2 per cent but must be the full amount of the cost of living increase, just as will now be the case for our public servants.

Again I suggest, as I said earlier in my remarks this morning, that one of the values of this legislation is that it establishes a principle—and I think it is a principle that should apply to pensions of all kinds, both government and private—namely that we have to do all the prodding and pushing we can to make sure that private pension plans are also escalated. As I said the other day, I welcome the statement of the Prime Minister (Mr. Trudeau) that the income tax regulations will be changed so that private pension plans that do escalate beyond 2 per cent can be registered. I think the government could go further and say that these plans cannot be registered unless they do go beyond 2 per cent.

Since it is just about one o'clock, Mr. Speaker, I guess I had better draw my remarks to a close. As I say, I welcome this legislation. I welcome it in the name of the people who will benefit from it. I also want to see these other improvements I have mentioned. And most of all, I want to see the kind of benefit that we are talking about today made available to all our people, and this includes private pensions across the board.

One last kick before you get to your feet, Mr. Speaker. We must not forget the lowering of the pensionable age across the board to the age at which it is already possible for public servants to retire, namely 60. Let us make that, on a voluntary basis, the rule for all.

Mr. Speaker: It being one o'clock I do now leave the chair until 2 p.m.

At one o'clock the House took recess.

[*Translation*]

AFTER RECESS

The House resumed at 2 p.m.

Mr. Gérard Laprise (Abitibi): Mr. Speaker, the debate on Bill C-220 as well as on the old age security bill adopted yesterday and on those which will be tabled next week has been made possible by the railway strike. If parliament had not been called back, senior citizens, pensioners and young people would have had to wait till the end of October or till next year for higher benefits.

Moved by the uncontrolable inflation of prices, to which it is one of the main contributors, and goaded by public opinion, the government is trying to calm the population by adopting measures which are aimed at making tolerable this continuing rise in prices which sometimes swallows up the savings of a lifetime of work. The fight against inflation has been abandoned and, through this law as well as the other social laws which have been adopted or which we plan to adopt in the near future, inflation is being accepted and an attempt is made at following it, as my colleague from Shefford (Mr. Rondeau) so aptly put it yesterday.

These laws will have no other effect than to further increase the cost of living. What we offer today to some members of our society, we will be taking away from those who work, from those who have an income. The government had agreed to an annual readjustment of pensions and allowances on the basis of the increase in the cost of living and the price index. Today, it has to bring the readjustments on a quarterly basis and soon maybe it will probably have to do it every month. Why? Because the cost of living increases more rapidly than incomes. The dog will never succeed in catching its tail, especially when the tail is getting shorter faster than the nose of the dog is getting longer. That is the situation which we are facing today. We get increases in salaries, we get increases in old age security pensions, more generous allowances, but prices keep increasing at a faster rate than these incomes. The net result is that we are further behind than before,

and this situation has been prevailing for at least two decades.

The solutions that our governments have adopted since that time have always been the same: they have never succeeded in slowing down the increases in prices, they have always caused further depreciation of the dollar so that the Canadian consumer still continues to have difficulties in making his budget meet both ends. What is the reason for such a mad rise in the cost of living? The reason is that this government has failed to strike at the root of the evil. The government is facing a crisis like the one in the thirties, the difference being that instead of a price collapse we are witnessing a price explosion which has the same effect on the people as well as on savings.

Not long ago, people used to save money so as to provide for a happy retirement, secure from a loss of income at an advanced age. That concept is rapidly vanishing with the loss of the dollar's purchasing power.

As a matter of fact, Mr. Speaker, in the annual news letter published by the Canadian Bank of Commerce, one can find very interesting figures on the economic changes in Canada, especially with respect to the purchasing power of the Canadian dollar. On the basis of a 100 cents per dollar in 1961, the dollar value in 1962 was 98.8 and in 1971, 75 only. That means that within 10 years the dollar lost at least 25 per cent of its value.

So the person who saved $1,000 in 1961 had only $750 in 1971. Therefore, that runaway inflation robs the people who tried to save money, who deprived themselves of certain things during their working years to save money to provide for a more prosperous retirement. The price rise deprives them of their savings and there is the lack of incentives to save.

Contributions to a pension fund, either in private enterprise or in the public service feel the repercussions of the same situation. Some people who work for companies, if they are numerous enough, join forces to ensure a relatively late retirement, still too late given the production facilities we now have. But when retirement time comes, they find that the money they deprived themselves of during 30, 35 or 40 years of work has lost its value. It does not ensure them the retirement conditions they had anticipated.

As a result, Bill C-220 which is before us tends to rectify this situation by pegging the pensions of some categories of public servants so that these pensions increase at the same rate as the continuing rise in the cost of living. But no provision in the legislation will prevent prices from increasing, so that the pensioner is no better off than before. He will always be in the same situation and since the fiscal system is so designed that the taxpayer is taxed according to a percentage of income and that sales tax is established according to a percentage of prices, it ensures that the higher the prices, the higher the taxes from the three levels of government so that the workman, the labourer or the pensioner has to face higher and higher taxes.

Then the situation which will prevail for the retired we want to relieve through Bill C-220 will be one where their incomes will be a little higher.

[Mr. Laprise.]

Since these are taxable incomes, they will have more to pay in taxes and they will not be any better off after having obtained this pension increase and prices will keep on increasing for them as well as for all others.

In view of this situation, Mr. Speaker, people must try and remain at work longer, even though the whole of the economy could do without their services at an earlier age than before. Their needs are growing and the value of the dollar is decreasing. History records the following, and I quote the *Labour Gazette* of November 1970:

> The life expectancy in Ancient Greece was 18 years. One hundred years ago, in the western world, it reached perhaps 30-odd years. Today, for the whole population of the world, it stands at 60 for one out of 14 persons. In the USSR, this proportion is 1 over 11; in North Amercia and Europe, one over seven.
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> But, progress in hygiene, dietetics and related fields have extended life expectancy. Lately, they have even greatly improved it. It is nonetheless obvious that age creates great difficulties for workers because, on the labour market, the age at which a man or woman becomes known as an "aged worker" is decreasing instead of increasing as could be expected in the light of improved fitness and health among middle-aged people.

There is a saying that living to a ripe old age does not matter as much as remaining young longer. And I feel, Mr. Speaker, that thanks to the progress of hygiene and medical science, we have managed to remain young longer so that as people are growing older, the scope of possible employment is narrowing. Senior citizens must often accept jobs that young people turn down because they are relatively badly paid or not so well considered socially.

So, Mr. Speaker, the aged people now find themselves more than ever in a difficult situation. Workers who enjoy a steady job in a firm to whom they have belonged for a great number of years can expect to remain with that employer until age 65. Some will even keep their jobs until they are 70. I know some such workers in my constituency. However, the situation is not the same for those who do not enjoy such stable employment. For the latter, landing a job at 50 or 55 becomes very difficult; they have almost no means and they must wait until they reach the age when they are entitled to receive the old age security pension, which is now fixed at 65.

Mr. Speaker, this bill features a more direct approach to lowering the retirement age of public servants; in my opinion, that benefit should be extended to all classes of society and at least those who so wish should be allowed to go on retirement as early as 60 in the public service and the private enterprise as well. That should perhaps not force them to go on retirement when they reach 60, but at least those who so wish should have the possibility of withdrawing from the active work force with the assurance that they will receive a sufficiently high income to allow them to lead a decent life.

With such a provision, Mr. Speaker, those who have worked for 30, 35, 40 or even 45 years could have access to retirement and should benefit from those things they have contributed to create during their active working life, and I believe that they deserve it.

In the northern hemisphere, in America and particularly in Canada, people are known for their guts and their willingness to spare no effort when needed.

Mr. Speaker, Canada should be more respectful towards these people at the time of their retirement and ensure

them a happy life particularly when they contributed to a pension plan as public servants do.

I think the light increases proposed in this bill should be accepted and I am convinced that my colleagues of the Social Credit will join me in voting for this bill on second reading.

When listening to the first round of speeches, it seemed to me that all parties agreed on what was proposed; of course, we always hope to get more, but at least we can be sure that retired civil servants will get a little more than they had before.

This example should be followed at all government levels: I am thinking, for instance, of the workmen's compensation legislation. In some provinces, compensation payments are still not geared to the cost of living. There are people who have been getting full compensation for many years and who are still receiving the same amounts they got when the accident happened. Those amounts are no longer sufficient today and I think that the example given in this bill should encourage governments at all levels to follow suit.

● (1420)

[*English*]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I want to commend the President of the Treasury Board (Mr. Drury) for the very short and succinct speech he made introducing what I think is an extremely important piece of legislation for all those who, in some way or another, have served their country in the public service. I am glad that he did not embark on an immodest extolling of the virtues of his predecessor or his own virtues, as did the Minister of National Health and Welfare (Mr. Lalonde) recently. Perhaps his conduct in this regard is due to the fact that, so far as the public service is concerned, there are few virtues the President of the Treasury Board can extoll. This may have had something to do with the length of his speech and with the lack of self-congratulation.

The government does not want to take upon itself sole credit for the fact that we are dealing with this legislation. Members of the government certainly are draftsmen of the bill, but if you examine the history of public service legislation you find that this government and its predecessors were really dragged, kicking and screaming, to the point where they finally gave in to what, over the years, were the reasonable demands of public service staff associations, the officers of public service associations, retired public servants and others who have written to people like myself and the hon. member for Winnipeg North Centre (Mr. Knowles). As I say, the government has finally given in and seen the reason for positions that have been taken by my party and, for that matter, the NDP with respect to this matter.

The shame with respect to this legislation is that the motive behind it is not primarily to protect the public servant. It is far from that. The government has not acted to save the retired public servant from hardship. The government acted as it has in the past few days just to save itself. That is the prime motivation. For a long time this move toward increased pension benefits for a great number of people who served their country well has been urged on the government by members of this party, the staff associations and other interested people, but the government waited to act until there was a crisis upon the country. From the point of view of motivation the government cannot clothe itself in a cloak of compassion and humanity. That has not been a hallmark of the government with respect to action on public service matters.

This morning during the question period I asked the President of the Treasury Board why amendments to the Public Service Employment Act, forecast in the Speech from the Throne on January 4, 1973, had not yet been introduced, despite urgings from me and from my hon. friend from Winnipeg North Centre. Why has there been this delay? Why did we debate capital punishment for so many days when there were so many things that had to be done, particularly with respect to public servants? I cannot recall his exact words, but the usual answer has been, "In due course these things will come forward."

Mr. Reilly: In the fullness of time.

Mr. Baker: Or in the fullness of time, as the hon. member for Ottawa West (Mr. Reilly) says. Moreover, I read in the Ottawa *Journal* last evening that the Public Service Alliance of Canada, representing 40,000 of its members, has had to break off negotiations with the Treasury Board on various matters, one of the most important of which is compensation to the public servant. According to press reports the latest Treasury Board offer is a 3 per cent increase in pay for this year and, I think, 2 per cent for the next year. That is unreasonable, Mr. Speaker, and that attitude is breaking the back of free collective bargaining in this country. The offer does not even keep up with the increase in the cost of living which stands at an annual rate of 8 per cent. The government should realize that it must deal properly with its public servants and that is why I say it ought not to clothe itself in a mantle of glory with regard to this legislation. It has been dragged kicking and screaming to this point in an atmosphere of crisis which was, to a large extent, of its own making.

● (1430)

I want to say to the President of the Treasury Board that my party approves of the proposals he has brought forward in the legislation. I think he realizes that, and I think he realizes that the legislation is long overdue. In the time it has taken the government to bring it forward retired government employees have seen the buying power of their pensions shrink, and for many of them their circumstances have gone from bad to worse; they have become discouraged. I have had many letters from retired public servants who had been looking forward to a future of reasonable security but the view has become more bleak by the month.

I hope this legislation is not coming as too little and too late to rectify the situation, particularly for the older ones. I hope that what the hon. member for Winnipeg North Centre said with laudable vision with respect to retroactivity, will make the difference so that they may live out their years in reasonable peace and security.

Mr. Speaker, I have to commend the minister for at long last going on his own and not waiting for some change in the Canada Pension Plan. I join with the hon. member for

Hillsborough (Mr. Macquarrie) in believing that there is no disagreement that the Canada Pension Plan ought to be amended, and quickly. Surely, there is no reason for, not having provision in the legislation for the adjustment of pensions generally on a quarterly basis. If I read the bill correctly, it contains no such provision. I support the changes brought forward by the bill. We should deal with it today and so ensure that the beneficiaries would not have to wait until January 1, 1974 to feel the effects of it.

If the record of the government in the first part of 1973 has any relationship to the increased cost of living, between today, September 7, 1973 and January 1, 1974 many retired public servants are going to suffer unnecessary hardship and will continue to do so. The standard of living of these public servants has deteriorated over the years and it is difficult to see how some of them have survived. Farm costs have risen by 13 per cent in the second quarter of this year and one does not have to be a mathematician to understand the effect of this on food prices. Milk production has decreased by 6.1 per cent from last year. The annual rate of inflation is 8 per cent and of the seven most industrialized nations of the world we have had the fastest escalation of food prices with 14.7 per cent. Just yesterday we heard reports of further increases in fuel costs, and today it is reported that the general wholesale index has increased by 2.3 per cent. Surely, Mr. Speaker, this action has come too late as a result of the stubbornness of this government. The people ought not to have been exposed to the suffering that ordinary human compassion could have alleviated.

I am very pleased to take part in the debate with my good friend and neighbour, the hon. member for Winnipeg North Centre. He has long been the champion of pensions and has advanced the cause of many who were not in a position to help themselves. However, I do not want him to be misled by the kindness of my personal sentiment towards him. If we are now faced with high prices, inflated costs and greater farm input costs, it is to a great extent because the New Democratic Party has been prepared to live with a government whose policies are conceived in ineptitude and born out of expediency. Perhaps that is why in his speech the hon. member did not mention the responsibility for high costs, the difficulties of many people and the ineptitude of this government in dealing with the problem.

I am not sure whether the consumer price index is the proper yardstick when tying escalations to pensions. One would hope that it would remain relatively stable but if the past record is any indication, it probably will not. Perhaps it is much too broad an index to which to tie future increases. The hon. member for Winnipeg North Centre mentioned the possibility of using the wage index or the index of productivity and perhaps that suggestion is worth pursuing.

In the bill that we dealt with earlier there was some mention of using the highest items that make up the consumer price index; food, housing and clothing. I would ask the government to consider all these indices when trying to find a way to bring more justice to retired people. I agree with the hon. member for Winnipeg North Centre as well, that perhaps there is some question about the investment, use and management of funds held in trust by the government. Many public servants question this. I am satisfied that the government that will succeed the present government will look at this important field of public trust. The position of women in the public service, the position of widows, which was well illustrated by the hon. member for Winnipeg North Centre, and the six-year rule which affects the calculation of pensions, are important matters. By studying these areas, perhaps we can make our pensions more beneficial to recipients.

● (1440)

There are still discrepancies, although there ought not to be, in our pension arrangements and there is still a discounting of pensions and superannuation benefits with respect to members of the Armed Forces who have retired and have entered the public service. I suggest that because of present salary scales these discrepancies are lessening. It seems to me that a breach of principle is involved in this matter when, in 1973, it is still felt that service in one area of the government ought not to be recognized when the person who has so served his country serves it in another area.

I think injustice and wrong principles are involved in matters to do with the pensions of members of parliament. Let me explain. If a former member of parliament who draws a pension is appointed by a province judge, he may continue drawing his full pension as an ex-member of parliament, which will depend on the length of his service, the amount of his contributions, his rank and so on, and receive the emoluments of his new office. If that same person is appointed to the position of county judge or some other office that comes under the Crown in right of Canada, he cannot do that. Some people may be cynical, but why should there be this discrimination? There is no such discrimination if a person who draws a pension from industry enters the public service of Canada. We ought to accept the fact that pensions, whether from industry, or whether arising from service in the public service of Canada or from service with the armed forces, the Royal Canadian Mounted Police, the Governor General and the other areas covered in the bill, are the result of services rendered. They are earned and ought to be paid. That being so, we should not recognize such service on the one hand and, by a regulation, deny the recognition of that service if the particular person concerned chooses to serve his country and his community in another capacity.

Really, we have only begun to scratch the top of the barrel in Canada in our dealings with pensions. We have hardly opened the barrel. We have only begun looking into the question of pensions. On behalf of the many public servants who have written both to me, to the hon. member for Winnipeg North Centre and to others, and on behalf of those who have not written but have just suffered under a system which made few pretentions to equity until today, I join with the hon. member for Winnipeg North Centre in extending thanks to the President of the Treasury Board for bringing forward this legislation even though it is done in crisis and as an answer to the economic difficulties which the government has brought upon itself and the country. As I said at the beginning, welcome though these advances are to all those who will receive them, they were not born out of any underlying motive to protect retired

public servants and save them from hardship; rather, they were born out of an effort to save this government.

I will not add anything further. I hope we can proceed through second reading quickly and then give clause by clause consideration to this bill.

Mr. Hugh Poulin (Ottawa Centre): Mr. Speaker, it is indeed a pleasure for me to rise after my friend, the hon. member for Grenville-Carleton (Mr. Baker), has spoken as I, too, support the changes the government has introduced. On behalf of the people of this community, and of public servants, may I say that I support the changes brought in by the government for the benefit of public servants, members of the Canadian Armed Forces, RCM Police and others.

Mr. Nielsen: You would be in trouble if you did not.

Mr. Poulin: I think I am voicing the opinion of all members of parliament representing constitutiencies in the national capital area when I say that we all support this overdue increase which is to accrue to those who have worked in the public service as well as other areas mentioned in the bill, and who have retired. Although the hon. member for Grenville-Carleton who preceded me did not say this, I can say that the minister who introduced this measure deserves full credit for the decisive action he has taken. It will be of benefit to many in this community, and to many others across the country. To my knowledge, public servants look on the minister as a leader that they like. They are extremely happy with the manner in which he is acting in his capacity as President of the Treasury Board.

Mr. Baker: You don't read your mail, Hughie.

Mr. Poulin: I hear an hon. member saying, "You don't read your mail, Hughie." I read it every day. I am one of the members representing a constituency in the national capital area who, together with the hon. member for Ottawa East (Mr. Gauthier), has lived here all his life. I have been here all my life. I have known people who are now public servants at all levels all their lives. I have known public servants occupying the lowest, if you like, and the highest ranks ever since their boyhood. I grew up and went to shcool with some of them. I deal with them day by day; and although they complain to me about other things, they say that they are happy about this legislation. They are content and, indeed, proud of the work they are doing from day to day for this community and on behalf of the people of Canada.

Mr. Nielsen: Their happiness shows up in leaked documents, too.

Mr. Poulin: The members of the public service with whom I have had the privilege of coming into contact since becoming a member of parliament have been most courteous, effective and helpful in dealing with the problems of my constituents. It is because of their good services and exceptional work that it is said all over the world that the public service of Canada is one of the finest in the world.

I am pleased also at the recognition this bill gives to the needs of others. Members of the Canadian Armed Forces have rendered a great service to Canada, and retired members of the force are to receive supplementary retirement benefits under the act. The bill also applies to members of the Royal Canadian Mounted Police who perform an extremely fine function in the country. In the last few days, together with the security personnel of the House of Commons, they did something which entailed a great physical risk when they acted on the occasion of the unwarranted attack upon people in the House of Commons last Tuesday or last Wednesday—I forget which day it was. They did an exceptionally fine job and were, as I said, ably assisted by the parliamentary security force, which also did exceptionally good work at a difficult time. They handled the people concerned with as little fuss as possible and are to be commended.

Mr. Nielsen: Whom have you left out?

Mr. Poulin: I hear a voice coming from the other side of the chamber. The rudeness of that voice is becoming more and more apparent in this House and in the committees of this House. I will ignore it. It will not go away of its own volition, although it may be taken away from here in a short time by the volition of others.

Mr. Nielsen: There is an expert talking.

● (1450)

Mr. Poulin: The hon. member for Grenville-Carleton also referred to the hon. member for Winnipeg North Centre. Although I did not hear his speech, I am sure his remarks were very constructive and informative. The hon. member for Grenville-Carleton accused him of being in concert with his party. He, in some ways, thinks it is bad or an evil thing to do that. I remind the hon. member that we on this side, and sometimes they on the other side, attempt to govern this country with a sense of responsibility for the present and the future. Rather than from time to time engaging in destructive snide comments, we are prepared to govern and work constructively for the benefit of this community and Canada. As long as they are prepared to work with us, we will work with them. I am under no illusion.

As the Minister of Transport (Mr. Marchand) said the other day, as a political party, they will only work with us as long as it is in their interest politically to do so. In the meantime, I am prepared to work with them to govern Canada and govern it properly. It seems the others are fearful of this. Day by day, each time we move along, we provide something a little more than they expected. The people of Canada are beginning to see this parliament has been made to work by those who have a willingness to see that Canada is governed properly in these most difficult times. These are not difficult times because we in Canada have a unique situation. It is a world-wide situation which is affecting every man, woman and child in almost every major country of the world. I am referring to the high cost of inflation.

It is said that this government is not doing enough. At least we are doing something. We are doing things that are needed today, tomorrow and in the long range planning for this country. Members opposite have not come up with one alternative or one proposal except the vague idea that

perhaps they would freeze wages and prices. They have not even said that with any great authority or definition.

I am convinced that the public servants in this country and others will benefit greatly from the measures recommended by this government and brought in today by the President of the Treasury Board (Mr. Drury). I hasten to join with other members, including the hon. member for Grenville-Carleton, in saying that they will benefit these people and will be welcomed by them.

I am sure all public servants and other workers in the national capital area will realize this as an act of a responsible government and responsible employer, attempting to set a standard which should be followed. We are not engaged in an auction. We are not engaged in bidding 30, 34 or 38 cents, as were the other parties last week, but attempting to be a responsible employer and to set an example by these very necessary and worthwhile amendments which I heartily endorse.

Mr. Peter Reilly (Ottawa West): Mr. Speaker, every time an officer or representative of the government, as did the hon. member for Ottawa Centre (Mr. Poulin) just now, rises to speak about the public service of Canada, we are told that it is one of the finest, if not the finest in the world. One is left to wonder why they have been treated the way they have. Why did they have to sit still while the cost of living, caused largely by the bumbling of this government, has steadily risen over the past few years? Indeed, a total reduction of 50 per cent in the buying power of the Canadian dollar has taken place since this government took over 10 years ago.

Why have these public servants, perpetually eulogized by members and representatives of the government as the best in the world, had to sit with their miserable 2 per cent as the cost of living rose inexorably 5, 6, 7, 8 and now 50 per cent? One is left to wonder why at this particular stage the government has chosen to remedy this deplorable situation. Could it have any remote connection with the fact that three parliamentary seats in this area, heavily populated by public servants, both working and retired, were lost to the Liberals in the last election? Could a member of parliament be as cynical as to suppose a thing like that? I do not know, but one is left to wonder.

The struggle for a superannuation plan in the public service goes back a long way. In fact, it goes back to 1924, after a struggle of some six years during which the civil service commissioner of that day repeatedly tried to obtain such a plan for his employees. Even when it was established in 1924, it was not regarded as a matter of right. In fact, in the history of the civil service, entitled, "The Biography of an Institution", the reasoning for the institution of the plan is described in this way:

> It is believed that a superannuation scheme will prove one of the best means of promoting efficiency in the service. No system of classification or improved methods of administration will be operated satisfactorily in the Civil Service until a comprehensive measure of superannuation is in force. The advantages of superannuation in the public interest are apparent inasmuch as it relieves the Government of the embarrassment and extravagance of retaining the services of officers who have outlived their usefulness; creates a proper flow of promotions; renders the service more mobile; deters efficient officers from leaving the public services for private employment where emolument and opportunity may be greater; helps to attract a better class of applicants for positions in the service and in general tends to promote efficiency in every way.

That was in 1924. Today, still grudgingly, the government is beginning to accord to its public servants, whom as I have said before are perpetually eulogized as the best in the world, whose age or disability has forced them to retire from active work, the right to begin to catch up with the rampant inflation which the multiplicity of government schemes have failed to check. We have had measure after measure, scheme after scheme and things have gotten worse and worse, just as the Economic Council of Canada warned they would as far back as 1969 if this government did not attack inflation in a different way.

Not too long after President Nixon took office in the United States, he said he was going to try to fine-tune the economy in order to stop inflation, to which one commentator replied that he might just as well try to fine-tune a flood on the Mississippi River. That is what this government has been trying to do. It has failed. Because it has failed, many thousands of people who gave their best in the service of government have been the victims. But while some small reflief was given, unlike the hon. member for Grenville-Carleton (Mr. Baker) and the hon. member for Ottawa East who has now left the chamber—

● (1500)

An hon. Member: Ottawa Centre.

Mr. Reilly: I mean the hon. member for Ottawa Centre (Mr. Poulin). I am sorry; he is repeatedly being referred to as the hon. member for Ottawa East. Unlike those hon. members, I am not prepared to extend any congratulation to the government on this move. It comes too late. It does provide a small measure of relief, and I am glad of that. Still, there are a great many faults in this bill as there are in the whole retirement scheme for public servants. I shall try to list a few of the changes I should like to see.

There are a few statistics. There are presently on pension, according to the latest figures available, 44,876 former employees, and maybe now another 10,000: the figures for 1972 are the latest I could obtain. There are 24,401 widows of former civil servants depending on pensions, and 3,840 children, bringing the total affected by this bill, within the public service, to 70,117.

The escalation proposed by the government is based on the consumer price index. I believe it should be based, instead on a wages and salaries index. Since collective bargaining in the public service began only some seven years ago, salaries have risen astronomically by the standards of earlier days, and public servants should receive pension increases which would lift them into line with pensions currently offered to the more highly paid persons now performing precisely the same type of work. The same principle should extend to widows and orphans.

I believe pensions should be calculated on the basis of the best three years of employment, not on the basis of the best six, and I believe there should be an end to sexism in the application of the pension scheme. As the Royal Commission on the Status of Women in Canada pointed out at page 110 of its report, there is yet another shortcoming in the Public Service Superannuation Act. I quote:

Under the terms of section 44(1), supplementary death benefits are paid to the widow of a married male contributor. On the death of a married female contributor, they are paid to her estate. A woman can therefore will the supplementary death benefits to someone other than her husband. Since we see marriage as a partnership in which responsibilities and benefits are shared, we believe that the responsibilities of women and men to their spouses should be the same. Therefore, we recommend that the federal Public Service Superannuation Act be amended so that (a) there will be no differences in the provisions on the basis of sex, and (b) the surviving spouse of a contributor will be paid the supplementary death benefits.

I feel this question, in the same way as any other important work condition, should be a subject of collective bargaining; but with a dozen or so unions in the field, even though they do operate through a joint council on some issues, this is often less than practical. However, the present system through which employees and their representatives can make representations to the government is totally unacceptable. The system works this way: there is a superannuation advisory committee whose members, while they may represent employees organizations, are not chosen by those organizations; instead they are appointed by the government itself. The committee may petition the minister for an investigation or for an opportunity to make representations on behalf of retired public servants, but it remains entirely within the minister's discretion to decide whether any consultations should take place.

In place of this paternalistic and outmoded system I propose the creation of a board of trustees some of whose members would be nominated specifically by employees' organizations. Such a board would have the power to make effective recommendations to Treasury Board upon its own initiative. Believe it or not, the present system has been in force since 1928. I quote the following:

While the association met with repeated defeat in their attempts to secure an appeal board or council, they did gain a momentary degree of satisfaction in 1928 with the creation of an advisory committee on the Superannuation Act. In an ill-concealed attempt to quell discontent over the fact that the government was obviously not going to act on the report of the 1928 committee, King's government established the advisory committee in December, 1928. The committee was composed of five representatives from the staff side and five nominees of the government. The associations represented on the committee . . . were picked by the government in a unilateral decision. The committee was to act in an advisory fashion and to report to Treasury Board on matters of a general nature pertaining to the administration of the act, on specific questions referred to it by Treasury Board and on proposed amendments to the act and regulations. Despite the sense of accomplishment and the back-patting which went on in the associations as a result of the creation of the advisory committee, dissatisfaction soon set in. The committee made numerous suggestions, particularly with respect to legislative changes in the act but neither Bennett's nor King's government was prone to accept these changes because they invariably meant increases or wider coverage necessitating greater government expenditures. The dissatisfaction in the service eventually led to the creation of a parliamentary committee on the Superannuation Act in 1938 which in turn produced increased dissatisfaction when its recommendations went unheeded for many years.

So we are still where we were in 1928. The employees who contribute to this pension fund have no effective say in what is done with the money—who should get it, how much should be paid and to whom. It is all up to the Treasury Board, specifically to the President of the Treasury Board (Mr. Drury) who has received accolades today—not the accolades he deserves.

An hon. Member: Explain.

Mr. Reilly: There is really no difference between the administration of this pension plan and the pension plans of any private employer when it comes to administration. The employees have no say at all. The hon. member for Grenville-Carleton, the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Ottawa Centre mentioned the mail they had received. I, too, have had a lot of mail on this subject but I will read only one of those letters. It reads as follows:

Why did I vote against the government in the last election? Not because of any anti-French-Canadian backlash, I am sure. I am bilingual by choice. My two sons I sent to LaSalle Academy and the University of Ottawa. They are bilingual and proud of it.

● (1510)

I voted against the government because of the ample evidence in so many departments that, vis-à-vis the bureaucracy, the government has failed to govern. The dog is being wagged by a tail that has quite apparently long since passed its level of competence!

For a horrible example of a pea-brained ego trip you should be aware of the lack of empathy with which the superannuated civil servant is treated, each month. Apparently he can no longer be trusted. Each month, in order to receive his superannuation which he has earned, he is required to subscribe to a declaration that he has not been moonlighting or otherwise working for any federal department or for the RCMP.

I will not go on; the letter just becomes more bitter. I should also like to quote from the favourite political authority of the right hon. Prime Minister (Mr. Trudeau), that veteran of the political wars of the Florentine republic, Niccolo Machiavelli. When dealing with generosity he said this:

I say it would be splendid if one had a reputation for generosity; nonetheless if your actions are influenced by the desire for such a reputation you will come to grief. This is because if your generosity is good and sincere it may pass unnoticed and it will not save you from being reproached for its opposite. If you want to acquire a reputation for generosity, therefore, you have to be ostentatiously lavish; and a prince acting in that fashion will soon squander all his resources, only to be forced in the end, if he wants to maintain his reputation, to lay excessive burdens on the people, to impose extortionate taxes, and to do everything else he can to raise money. This will start to make his subjects hate him, and, since he will have impoverished himself, he will be generally despised. As a result, because of this generosity of his, having injured many and rewarded few, he will be vulnerable to the first minor setback, and the first real danger he encounters will bring him to grief. When he realizes this and tries to retrace his path he will immediately be reputed a miser.

So as a prince cannot practise the virtue of generosity in such a way that he is noted for it, except to his cost, he should if he is prudent not mind being called a miser.

I do not think the right hon. gentleman, or any of his colleagues for that matter, has been overgenerous with public servants. I conclude by saying that I do not deny that when it comes to the virtue of miserliness, they do not lack a certain prudence.

Mr. Ian Arrol (York East): Mr. Speaker, there is no simple solution to any of the problems in Canada today, except for the simple-minded. The only ones who feel that they indeed have the solution are those who have referred merely to their own wisdom, uncorrupted by research, consultation or reflection. When one does choose to look into a particular problem to seek a solution, one may start with the feeling that one intuitively knows the answer.

The first thing that you are forced to conclude is that, whereas you did have some inkling of the answer to start with, all you have now is an appreciation of the complexities of the matter and the honest admission, "I don't know the answer".

On further research, the seeker after truth can be comforted from a personal standpoint, although dismayed, on behalf of long-suffering humanity, by the realization that nobody knows the solution. When we come to the people who seemingly have the authority in the field of economics and we have before us three Ph.D's in economics, Mr. A, Mr. B and Mr. C, we find that A considers B and C to be utter fools, that B considers A and C to be utter fools, and that economist Ph.D. Mr. C considers A and B to be fools and entirely lacking in knowledge. And an observer might be justified in concluding that each is right about the other.

But if there is one single idea that has been put forward for a solution to the economic problems of Canada, or at least a partial solution, the idea of attaching the cost of living index to pensions and salaries might well be that solution. Indeed, the government is to be commended for having paid heed to those who would promote such an idea because this is a real answer to fear and to insecurity. With the cost of living increase added to pensions and to salaries, gone is the despair of knowing that you are earning less, from the point of view of purchasing power, each year.

The situation has been that if in 1961 someone were fortunate enough to have made provision in that year for a $6,000 retirement in 1973—an amount which in the year 1961 would seem quite good—he would find that by 1973 his $6,000 was worth about $4,000, meaning almost in a real sense a robbery of $2,000. Generally speaking, today half of the people of the age of 65 in Canada are near or below the poverty line.

We also find that those who are earning today a regular salary, in order to catch up with the cost of living increase and share in some of the increasing prosperity in Canada seek a wage increase. Since they did not get what they asked for the previous time—they perhaps received half of what they asked for—this time they might well ask for twice what they asked for last time by way of a percentage increase. When the settlement comes, in many cases though not in all, those who receive it have a feeling of euphoria, that they have got it made because they are now earning 50 cents or $1 an hour more than they earned previously. But then once again comes despair when the raise is swallowed up by the ever-increasing cost of living.

Automatically adding the increase in the cost of living to one's pension would not in itself have an inflationary effect but, rather, a deflationary effect. If we could be assured that next year the purchasing power of the dollar is the same as today, there would not be this excited demand for more and more so that one does not lose more and more.

● (1520)

As it is now, labour with strong unions are now providing their members with $8 an hour and are screaming for $10 an hour. No more than 40 per cent of labour in Canada is unionized. Some 60 per cent of those who labour for a living do not belong to a union, and of the 40 per cent that do—and that is a generous estimate—a very small percentage are among the big wage earners. However, this small percentage represents the ones who in the name of keeping up with inflation ask for big wage increases, get big wage increases and contribute to a large extent toward activating again this cycle of inflation.

[Mr. Arrol.]

The bill we have before us does not relate directly to wages earned by those in private industry or the pensions they receive. There are some government initiatives which could be taken under this bill. In order to encourage Canadian private enterprises to incorporate a cost of living index into their salary arrangements with their workers, the Canadian government could well attach a cost of living index to the federal minimum wage. There is nothing to stop the government from doing that, and there is everything to suggest that it should, in order to act as an example of what should be done for all.

With the bill before us today the government has given encouragement to those in private industry to attach a cost of living index for the benefit of their members. This is not to say that the only thing required is the bringing about of a cost of living index, or that the workers would not then ask for more money, because increases beyond present wages merely to meet the increase in the cost of living have been a part of the Canadian way of life and should, of course, continue to be. As the nation becomes more prosperous, so should the individual, but not to the extent of society bowing meekly to the demands for $8 an hour for workers some of whom are unskilled now seeking $10 or more an hour in the construction and allied trades.

The time has come for the government, in the name of Canada's long-term survival and in the name of 95 per cent of Canadian citizens who do not now enjoy $10 an hour salaries, to use its influence and legislative power to deny to a few powerful unions the opportunity to obtain wages which make a mockery of the wages received by the average Canadian. These wages unsettle everybody else and force them to either demand more to catch up or to feel despair at what their life experience has taught them: their inability to ever catch up. Nothing is being done to put the lid on extortionate wages and nothing will be done as long as the government is run by an NDP-Liberal coalition. The Liberals fear the power of the NDP to unseat them and the NDP fear the power of unions which are rich and powerful to unseat them.

Short of wage and price controls, the next best measure is to have the cost of living controlled, with initiatives taken by the bill brought into the House today for second reading. Again I would suggest that the government give serious thought to relating the cost of living to the minimum federal wage as an example to industry. This in itself, apart from wage and price controls, might be one single solution that would be meaningful. Otherwise, I suggest, we have a situation where a person is almost robbed by society's lack of concern, through this government, year after year. In conclusion I would commend the government for taking a step in the right direction.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Reid: Mr. Speaker, since we have moved so quickly with the disposition of this bill, I wonder if I might ask whether there is consent to proceed with second reading of the bill to amend the Family Allowances Act and the Youth Allowances Act.

Mr. Knowles (Winnipeg North Centre): I would be willing, Mr. Speaker, but might I be pardoned for asking whether the bill has been printed and circulated?

Mr. Reid: Mr. Speaker, I understand the bill has been printed and that there are copies readily available.

The Acting Speaker (Mr. Laniel): There are copies of the bill available. Hon. members have heard the suggestion of the hon. parliamentary secretary. The bill received first reading this morning and the House can only proceed with second reading now by unanimous consent. I would ask whether there is consent to proceed today with second reading.

Some hon. Members: Agreed.

* * *

FAMILY ALLOWANCES ACT AND YOUTH ALLOWANCES ACT

AMENDMENTS TO INCREASE PAYMENTS

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-223, to amend the Family Allowances Act and the Youth Allowances Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, this bill is to effect a fuller reform of family allowance legislation, and I hope it will receive second reading before long. For that reason I will limit my remarks on this interim measure to a brief outline of the intent of the bill and the reasons for it being introduced at this time.

[*Translation*]

First of all, Mr. Speaker, I should like to put this bill in its proper perspective, that is within the scope of the program which the government has already announced to protect the purchasing power of Canadian consumers. Thanks to the steps outlined therein, we hope to control, at least to some extent, the effects of inflation which Canada, like most other countries of the world, has been recently experiencing.

This bill has been devised to put to better use the mechanisms already available to meet the needs of the Canadian people. Like many other nations throughout the world, Canadians are now suffering the first consequences of inflation, especially in the area of food costs.

The government has already drawn up a program to protect against the corrosive effects of inflation on the purchasing power of all pensions and allowances paid under federal plans. We have already worked out a program to that effect. Old age security pensions and the guaranteed income supplement are now entirely geared to the increase in the consumer price index and the measures

now before Parliament will provide for a quarterly increase starting next month.

Payments under the Canada Pension Plan will also be completely revalorized to reflect the rise in the consumer price index, subject to the provinces' approval, as required by the Canada Pension Plan legislation. The new payments will come into force on January 1, 1974.

The House has just given second reading to the bill introduced by my hon. colleague the President of the Treasury Board (Mr. Drury), bill providing for the full escalation of pensions paid by the government of Canada to its retired employees on the basis of the full increase in the consumer price index.

So it is normal that we examine the plight of another group of society, the three and a half million families which are responsible for seven and a half million children and adolescents. No need to remind my colleagues that last July I introduced the reform bill on family and youth allowances. My colleagues will recall that among other amendments the bill featured an increase in family allowances at an average monthly rate of $20 per child.

That program, which was introduced before the House in July and is subject to approval by parliament, will come into effect next January and further represents an important innovation in the field of universal benefits. As every one knows, it grants the provinces the power to amend family allowance rates on the basis of either age or family size or both at the same time, each province determining the variation best applicable.

That latitude is subject to two conditions, that the rate variation be set so the average payment in any province be equivalent to the national standard, that is to say $20 per child per month, and that the minimum for a child be $12 a month.

Furthermore, under this bill the allowances are escalated on the basis of the cost of living which consequently ensures further increments.

To allow the provinces to determine their own variation if it is their intention to avail themselves of this latitude, we set the middle of October as the deadline for them to make known to us the nature of their respective decisions. As for us, we will have the time required to adjust the rates of each variant of our administrative system and with the consent of the House, we could, as expected, begin making payments early in 1974 under the bill introduced in July.

The time necessary to develop the administrative mechanisms and to consult the provinces cannot be reduced further. It would not therefore be realistic, in order to cope with the present situation, to enforce immediately the reform of family allowances. What we need rather are special measures and it is precisely a special measure that we are considering today.

The exceptional increase in food prices confirms the urgency of passing such provisions.

[*English*]

When one considers that a family of four with an income of above $10,000 spends approximately 16 per cent of its budget on food, while the same sized family with an income of less than $4,000 spends closer to 28 per cent of

its budget on food, it is obvious that the increase of 20 per cent in the price of food over the past 18 months will have a much greater impact on the low-income family as compared with the higher income family.

Important as these figures are, they should however be put into perspective. For example, in 1971, the latest year for which international figures are available, we find that Canadians spent as an average 19.3 per cent of their budget on food. The only country with a lower percentage at that time was the United States, at 18.3 per cent, whereas in other industrialized countries we find the following figures applied: United Kingdom, 23.7 per cent; West Germany, 24.2 per cent; Sweden, 25 per cent; Japan, 26.6 per cent; France, 27.5 per cent.

When one compares the figure of 19.3 per cent in 1971 with the figure of 38 per cent for Canada some 15 years ago, one can see that the Canadian consumer has seen his lot substantially improved over the years, and that even in spite of the recent increases in the cost of food the Canadian consumer is still in a more favourable position than is the consumer of probably any other country in the world in so far as the allocation of his budget to food is concerned.

I would also draw to the attention of hon. members the fact that the average real income of Canadians has continued to increase substantially in 1973 as compared with 1972, and I would refer hon. members to the statement the Prime Minister (Mr. Trudeau) made in the House on September 4 as reported at page 6182 of *Hansard*. The Prime Minister stated:

[*Translation*]

Workers income and corporation benefits have by far exceeded the global rate of inflation in Canada. During the first quarter this year, the real income of individuals, after income tax, went up by an average 6.2 per cent compared with the same period in 1972. If Canadians have a net increase in income, it is due to a large extent to the fact that the financial budgetary reductions of last February have borne fruit.

● (1540)

[*English*]

Therefore, in spite of the substantial increases that we have known in the cost of food we have also to look at the situation in its broader aspects to see the total situation of the economic conditions of Canadians at the present time. The fact is that the present worldwide situation has caught all of us in its grip, and given the present rate of inflation it therefore appears to us that even a few months wait would prove a hardship to many Canadians.

[*Translation*]

The bill before us constitutes one aspect of the strategy adopted by the government to fight inflation. This bill, Mr. Speaker, is the second which I have had the privilege of introducing this week to my distinguished colleagues in the House; it is also the second project to be proposed within the program designed essentially to protect the purchasing power of the Canadian consumer. Through this legislation, 3.5 million Canadian families will benefit next month from a monthly allowance of $12 per child.

It is known that it is not for the government itself to relate salaries to the variations in the cost of living. That comes under collective agreements, and both employers and employees are at liberty to discuss that matter between themselves. On the other hand, we have the power to increase family allowances in order to supplement the salaries of Canadians with dependent children and for whom the increase in the cost of living means still greater financial commitments. As I said before, we have already introduced in the House a bill to that effect when we were proposing to increase the current family allowances up to an average of $20 per month per child starting January next; today, when presenting a bill, we recommend fixing forthwith monthly family allowances to $12 per child and per adolescent under 18.

This legislation thus makes it possible for us to prevent families living on a small employment income from finding it more advantageous to quit working and live entirely on public assistance by becoming recipients of social assistance.

Unlike social welfare benefits, wages do not take into account the size of the family and the resulting financial charges. In most provinces, couples with two or more children receive higher social allowances than the provincial minimum wages.

The working paper on social security which I submitted last spring suggests that an income supplement system be implemented for these people. The development of such a system however requires a detailed study of the political and administrative issues involved and close co-operation with the provinces.

We hope that the work undertaken will be successful and we expect that it will be. The family allowance program is useful in avoiding that the small wage earner be swept over by family charges that he no longer can bear because of the rising cost of living and be forced to live on the fringe of society. This bill brings a temporary solution to the problems of such people.

Therefore it proposes that family allowances be brought up to the minimum level set by the federal government for the general review of the family allowances act and the youth allowances act, namely $12 per child per month. This provision will result in a direct increase in the benefits paid to three million and a half Canadian families, and the amendments contained in this bill to the present provisions will make any person under 18 eligible to family allowances under the existing act.

That increase alone means an average increase of 66 per cent in the family allowances that are now paid to Canadians.

When we attempted to develop an ideal formula to effect the first adjustment of family allowances, we came up against the problem of having to increase them according to the present rates, that is $6 and $8, and in the case of youth allowances, $10 per month.

Now, since the main purpose of that increase was to provide allowances to consumers as soon as possible, we decided on an across-the-board increase, regardless of the child's age.

As a matter of fact, an average Canadian family will receive $30 more from October to December 1973, when the new program will be implemented.

In January 1974, the allowances will be changed once more according to the formula determined in each province. And again in 1974, in each province, family allowances will amount to an average of $20 per month per child.

[*English*]

Another notable feature of this interim bill lies in the fact that we will not tax these interim payments. It follows that there is a clear-cut increase for every recipient of the family allowance payments at this time and full benefit accruing to them immediately, with a further net increase in January under the reformed family allowances program. These measures will ensure that the maximum amount of purchasing power is maintained for low and middle-income earners alike.

This legislation, following on the measures proposed for an immediate increase in the OAS and GIS payments with allowance for quarterly escalation, demonstrates the manner in which the government is using its powers and its responsibilities under the two universal direct payment programs as one facet of its whole thrust to combat the effects of inflation which we are all now feeling.

With this package we are determined to ensure the maximum value in purchasing power for the Canadian consumer, child or pensioner, low-income, middle-income or higher income Canadian. But the measures I have outlined today are, as I have said, only an interim step. The government continues working to provide the best form of income security possible, and that is a reduction of the rate of inflation itself. In that light, Mr. Speaker, I would urge all hon. members to join me in seeking swift implementation of these measures.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I expected we would have been continuing our discussion on other stages of Bill C-220 and that we might have been able to bring it to its final stage before the afternoon was out. I regret to say that the Minister of National Health and Welfare (Mr. Lalonde) who has just spoken did not overextend himself in the courtesy of his notice that we would be moving on to this bill.

● (1550)

When I take part in debate I generally extend to others the courtesy of listening to them; therefore in the present case I did not even have the opportunity to go to my office for my file on family allowances. I had hoped that the President of the Treasury Board (Mr. Drury) would be responsive to the sentiments expressed in various parts of the House this morning and that we would have moved on to the bill that he was bringing to the baptismal font of this temple of legislative action.

I do not want to begin on a sour note, but I cannot help but notice the difference between this Friday and last Friday. Last Friday it was impossible to find out what, if any, measures would be brought forward on Tuesday; today it seems that all available must be processed this day. Having said that, Mr. Speaker, I must say that I am glad that this bill which emerged only today—one can imagine the length of time that we have been given for reflection upon it—at least is not another FISP bill. For that, we may be profoundly thankful. Not only does it lack the inequities of that particular measure but it lacks many of its inexplicabilities, if I may use that inexplicable expression.

I thought the minister adopted a different tone. Apparently he is a different man on Friday than on Tuesday. Tuesday's child was one which leaned hard upon partisanship; today, Friday, he leans on statistics. As I listened to him regale us with the excellence, the magnanimity and the magnitude of this measure I thought of the old saw about the man who drowned in the lake, the average depth of which was one foot. Even without a large staff, statistics can be produced for a given occasion which may be possessed of some appeal.

Since the minister was statistics-bound today, I wonder why he did not tell us what has happened to rents for the people who are raising families in Canada? This would not be such a pleasant item of information. He might also have told us something about the housing situation and the interest rates which are bearing down upon the parents of children. He might have allowed his mind to range as far as the tax on building materials that has been mentioned in this House for many years, and the calls for its removal.

The one "recall" of the earlier performance of the minister is the "You never had it so good" syndrome. Naturally, anyone piloting a piece of legislation through the House wants to make it appear as useful as possible. However, I cannot imagine anyone in a ministerial position, in a country in the economic condition of this one, not admitting the gravity of the situation and the inadequacy of the actions of the government over the years.

There are thousands of Canadians, Mr. Speaker, who never had it so hard. We hear from them, we see them in the supermarkets and on the streets. We get letters from them in our mailboxes on Parliament Hill. These people know: they do not have to wait for the monthly emanation from Statistics Canada to be able to document the problems they are having in providing the needs of a growing family. The cost of education, clothing, housing and also of transportation—all those daily needs are rising in cost, inexorably.

I spoke about family allowances when I last dealt with this measure and how, as an income transfer, it related to the days of Mackenzie King. I mentioned how little has been accomplished over the years in terms of an income transfer to people with families. If I said that the $20 figure was not one which would enable the minister to take a bow for exceptional generosity, I can now say clearly and quickly—even without having had the knowledge that he would be bringing in the bill—that this is not a grand, sweeping gesture of magnanimity. It is not an administrative measure which will relieve the people of Canada of the problems they are facing—problems of indifference from a government, incapacity from a government and maladministration from a government.

I wonder what parents think when they see and hear that vocal lady who is now the watchdog of prices and who tells them not to buy if prices are too high. What comfort! What callous indifference in the face of gripping and growing human need! This morning I asked, rhetorically, why the interim measure had to be lower than the long-range one. I listened with the utmost care to the minister's statement and I still do not understand why. I

still do not understand the explanation of that $8 difference. Perhaps later in the proceedings the minister will enlighten us on this shrinkage.

I see that it is four o'clock, Mr. Speaker.

The Acting Speaker (Mr. Laniel): It being four o'clock, the House will now proceed to private members' business as listed on today's order paper, namely, notices of motions, public bills, and private bills.

Mr. Reid: Mr. Speaker, there has been discussion as to the business to be dealt with in private members' hour, and I believe there is agreement to take notice of motion No. 26 standing in the name of the hon. member for Gander-Twillingate (Mr. Lundrigan).

The Acting Speaker (Mr. Laniel): Is it agreed that the House proceed with notice of motion No. 26 standing in the name of the hon. member for Gander-Twillingate and that the previous motions stand?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

[*English*]

EDUCATION

SUGGESTED NATIONAL CONFERENCE ON EDUCATION AND HUMAN RESOURCES

Mr. John Lundrigan (Gander-Twillingate) moved:

That, in the opinion of this House, the government should consider the advisability of taking some initiative in securing the collaboration of the provinces in convening a national conference on education and human resources.

He said: Mr. Speaker, since I have been in this House of Commons I have had on the order paper a private member's motion dealing with the topic of human resource development through education. In previous years my motion was somewhat restrictive in that it involved, it could be argued, this House in the area of curriculum development and suggested that the federal government should have some presence in the field of education and in the matter of defining standards, expectations and objectives in education throughout the nation. This year my motion is more carefully worded. It asks that the government do nothing more than consider the advisability of taking some initiative; that is, consider the advisability of securing the collaboration of the provinces so that there might be a federal presence involved in the discussion of education and human resource development.

● (1600)

Before I go any further I might say that I know my motion will be talked out at five o'clock. This has been promised by the Parliamentary Secretary to the President of the Privy Council (Mr. Reid). He informed me of this in a brazen approach. I am not going to spend 40 minutes telling the House that that kind of attitude on the part of the parliamentary secretary is unacceptable, as no member should present a motion for the simple reason of having it talked out after one hour. We do not discuss these motions for the benefit of the media or in order to have them talked out. Moreover, there was a request that I not proceed with the matter because the appropriate members who can talk it out are not present. I suggest that this sort of thing ought to be investigated.

The motion is straightforward and does nothing to tie the hands of the government. I think we all recognize that it is the fundamental right of every Canadian to receive all the education of which he can avail himself so that he may express himself as best he can in social, economic, political and environmental spheres. Every Canadian should be given the benefit of all the human resource development that he is capable of absorbing. The right to a good education is as fundamental as the right to a livelihood, the right to decent housing and the right to an acceptable quality of life. It is not a right which is enjoyed to an equal extent by Canadians throughout this land.

If we had the time to examine the situation in Canada we would find there are more extremes in the field of education than in the field of regional disparities. We would find that there are provinces and parts of provinces in which the educational system is the most progressive in the western world in terms of adequacy of facilities, the use of the school system and the quality of teachers. On the other hand, there are provinces and parts of provinces in which one would find exactly the reverse. You would find little, one-room schools in which teachers teach all grades. You would find schools without toilet facilities, schools without blackboards and without the audio-visual, technical aids that have come to be expected in the larger school systems today.

These are the kinds of disparities one would find in the field of human resource development across this country. That is why I suggest this area should be under the responsibility of the central government, and why, this kind of problem should be considered at the national level. I will give some reasons for saying why it should be so considered. Every economist who has taken the time to investigate the over-all education system has come to the conclusion that there is a heavy and positive correlation between economic development in a region and the level of education in that region. Practically every economist in the world says that in areas where there is prosperity there has been heavy investment in human resource development. There is a heavy and positive correlation between education and prosperity. Economists say that independent of educators, educators presumably having a vested interest in so saying.

At any rate, economists and educators have concluded that if you want economic development in an area, you must train the people in the area and develop them to the greatest potential they can attain. That factor alone ought to be reason enough for the federal government to consider becoming involved in this field.

In this country there is a program of regional development. One of the biggest disadvantages from which we suffer in Canada—this is tied in with the question of regional disparities—has to do with the fact that the quality of education in some provinces is not as high as it is in the more advanced provinces. I spent a couple of years as a

student in Alberta. I travelled extensively in the province and visited many schools. I taught and helped in the administration of their school system.

Let me tell you, Mr. Speaker, that it will take the province I represent in this House another quarter of a century to catch up with Alberta, in terms of our ability to spend money on education and bring our standard of education up to that of Alberta at the present time. This is basically because we do not have the revenue base, we do not have the dollars required to give our people the standard of education they deserve.

I could argue in terms of national unity. The fragmentation existing throughout the country could be attributed to differences in education standards as at present our educational system makes it practically impossible for us to exist as one nation. I am speaking of our being one nation in the sense of being a kind of geographic entity in which the people enjoy a common culture, common expectations, a common outlook and some mobility. In these days you cannot move your family from one province to another without suffering tremendous disadvantages and setbacks. These are the result of the different goals and over-all objectives of the different educational structures within the country.

We have ten totally independent educational structures with totally different objectives and goals. I am not talking so much about physical things such as classrooms, different though they may be, as about the parameters of our educational system. Today our people are tremendously mobile, much more so than when those who founded the constitution gave the provinces responsibility for education. In these days the members of one family within a span of 10 or 15 years might live in every one of our ten provinces. That necessitates some common ground in education. These are a few of the many arguments that one could bring forward. One could bring forward all kinds of statistical details.

The Government of Canada has always recognized, albeit surreptitiously and secretively, that it ought to be involved in the matter of education. Yet no government since confederation has had the guts to say officially that it should be involved in education. The government, today, is involved in education in many ways. It is involved in the education of Indians through the Department of Indian Affairs and Northern Development. Most of our manpower programs are educational programs, whether they are manpower training programs, on-the-job training programs or school upgrading programs under which people who have little or no scholastic foundation are upgraded in their education to standards at which they can be trained.

As well, there are vocational schools, technical schools, and so on all the way up to university. One could go down the line and see that although the government is behind these educational programs, it does not call what it is doing educational involvement. Under no circumstances does it say that these are matters of education. The latest program which comes to mind is that involving the Department of Regional Economic Expansion. A couple of years ago, when the government started talking about being involved in regional development, the provinces wanted it to become involved in education. What is the justification for the government's involvement in education?

Governments take an area where there is potential for industrial growth and say that in order for there to be industrial growth an infrastructure must be established. The new word "infrastructure" means water, sewers, roads, industrial parks and things of that nature. Then schools are thrown in as part of the infrastructure. It so happens that when special are designated across the country there is a chance that the provinces can negotiate with the federal government the establishment of schools referred to as DREE schools. I have been advised by officials in one province of Canada that because the provinces have no say over expenditures and no say over these DREE schools are to be built, they cost twice as much to build as they would cost the province.

These schools, by the way, are sometimes expensive and sophisticated structures. Second, they are built in areas where the federal government wants to build them, not in areas where the provinces might think them to be most necessary. Consequently, as I have been advised by people who have been close to this program, the system is not working out at all and there are major disadvantages in most cases to provincial governments involved. I am saying that it is time to cut out this nonsense. Let us get down to basic facts. The Prime Minister (Mr. Trudeau) is one of the most regressive or reactionary men I have seen in this field.

An hon. Member: Are you serious?

Mr. Lundrigan: I am absolutely serious, and I can give the hon. member categorical evidence to support my view. I have talked with progressive educators across this country who have pushed for federal involvement in education. There were murmurs from the previous administration that there might be federal involvement in education. Then the Prime Minister came on the scene and I quickly discovered his attitude.

During the first few weeks when I was a member of this House I raised the question of federal involvement in the area of human resource development. I carefully used the phrase "human resource development". The Prime Minister was very quick to point out that this was a categorical and clearcut responsibility of the provinces. I have raised the question several times since then but he will not involve himself in debate. Apparently he assumes that everyone from Quebec would automatically start some kind of gang warfare if the federal government ever became involved in provincial education.

● (1610)

I am convinced that no official of the government of the province of Quebec would be unwilling to allow the federal government to participate in the field of education if it were a matter of trying to provide assistance to the provinces to help overcome the disparities in education across the country. I am sure every provincial educator would object to the federal government trying to direct education in Canada. You can hardly go beyond a teacher in expressing direction. Direction in education is what happens in a classroom. That is the only place it can be talked about meaningfully. If we try to centralize education, we

will be asking for trouble. We should not try to direct what eventually goes into the classroom. No one wants to see centralization of power in terms of curriculum and what happens in a classroom.

In terms of trying to help overcome regional disparity and giving Canadians an equal opportunity to develop their human capability and capacity, no official in the Quebec government would be so narrow-minded as to not recognize the need for federal presence. I challenge any minister of education in Quebec to say to his people that he would not recognize the need for federal financial involvement, and perhaps the co-operation of other provinces to arrive at some common goals and objectives across the country. Any Quebec minister who would say that would be placing the narrow political interest of his province ahead of his responsibility to the people.

I am convinced the reason we have economic disparity in Prince Edward Island, in Newfoundland, in parts of northern Canada and in Quebec is that there have never been the available educational opportunities to develop the capabilities of these people. People in these regions do not have the skill to develop their resources. I can speak with some knowledge about the province of Newfoundland. Regardless of the programs and finances available for regional development, we cannot take advantage of them because we do not have the necessary managerial pool. Our people have not had the opportunity to develop their skills in all the fields of industrial and economic development.

Other than Montreal, Quebec City and a few other sophisticated parts of the province of Quebec there is basically the same problem in that province. These people have not had the opportunity. I do not say their educational system has not been up to par, but I know for a fact that up to the past ten years or so Quebec's educational system was one of the retarding factors in the economic development of the province.

It would be wise for the leaders of our provincial governments, including Quebec, to accept a resolution of this nature and get the federal government to recognize that education is the right of all Canadians. It is their right to have a decent livelihood and to develop their potential to the greatest capacity. This would help some our poorer provinces which suffer so much from underdevelopment. They would be able to move ahead much more quickly. I do not say this could happen tomorrow. However, if this problem is not recognized today these provinces will be in the same boat half a century from now.

Some months ago the Newfoundland budget was brought down. I cannot quote the exact figures but I can say a greater percentage of the total budget was allocated to education than in any other province of Canada. At the same time, our expenditure is the most inadequate in terms of the need that exists in any province. I believe the figure was $168 million out of a budget of roughly $500 million. Over 30 per cent of the total budget will go into the field of education.

In dozens of communities in my province there are one-room schools with six or eight grades, and some times ten or eleven. They do not have the proper facilities. Some of them do not even have decent toilet facilities and other things that were expected in most parts of Canada half a century ago. These are the extremes. We do have some beautiful, modern schools. We have made progress, but our rate of progress is so slow that by the time we reach one level of achievement the rest of Canada has moved rapidly ahead and the gap increases instead of lessening.

I present this motion very seriously. I think I do so with the blessing of every educator in this country. I recently had a meeting with many people involved in graduate studies in a particular university. I was quizzed about the prospect of federal involvement in the field of education. I did not have a lot of advice or encouragement to give them. I advised them to draft a position paper and ask for a meeting with the Minister of National Health and Welfare, and others who are involved, in order to present the case that the federal government must recognize that a good education should be a right to be enjoyed by everyone. Once people are educated to their greatest potential the chance of economic development is much greater. There should be common goals, with co-operation from the federal and the provincial people. This would improve national unity and Canadian mobility in a way that would meet modern-day expectations.

Mr. Jean-Robert Gauthier (Ottawa East): Mr. Speaker, I congratulate the mover of this motion. The intent of his motion is most honourable. I wish I had the facility to speak in English as fast as the hon. member. I have a bad habit of speaking French. I hope the few remarks I will make on the subject will be understood by the hon. member.

I appreciate the hon. member's point about the mobility factor and the fact that in this wide-ranging country of ours the problems of education peculiar to regional disparities are very acute. Like the hon. member, I have had 11 years' experience on a school board. I agree that educational opportunities are not equal, and possibly a meeting of the nature he suggested would be proper.

I remind the hon. member that in 1962 there was a Canadian conference on education held in Montreal. It is with some joy that I note the co-chairman of that conference was an uncle of mine, Mr. Robert Gauthier. I wish to mention some of the things that bother me, as a Franco-Ontarian, about the quality of education. Ontario is a very large province. We have regional disparities as between southern Ontario and northern Ontario. We also suffer from the problem of educational inequality.

[*Translation*]

The aims of education are as various as those of society itself because, after all, they are determined by the values the society. The Canadian mosaic enables any Canadian citizen to be educated in English throughout Canada. But it is not possible for the minority French-speaking citizens in Alberta to get their education in their mother tonque from primary school to university, and this is unfair. The situation is about the same in Manitoba, Saskatchewan and British Columbia.

I believe that a Canadian conference on the problem of equal opportunities would serve a useful purpose in order to find, in cooperation with the provinces, a means, a procedure to enable all Canadians, wherever they live, in Newfoundland or in British Columbia, to further their

education in their mother tongue, a social and cultural tool they inherited from their parents.

Of course, this problem goes much beyond the present constitution which gives the provinces autonomy in the area of education. I think a provincial conference would be required to ensure equal opportunities to all Canadians in the tongue of their choice.

I should like to raise another point, which is perhaps more important: the Federal government employs some 275,000 public servants, and recently the adoption of a decentralization policy was announced. We do not have any Canadian government administration school designed to train civil servants. I think the development of a school of this type, like the one they have in France, might be worthwhile.

Of course, efforts are being made by the Treasury Board and the public service, but I do not believe they are very successful; the CAP program, intended for a few hundred persons per year, enables them to develop and better themselves and then reach higher levels.

And I am concerned about the decentralization factor, because in order to have a balanced public service throughout Canada with similar standards, we must set up a government administration school. I hope my suggestion will be looked upon favourably in the government administration.

The hon. member for Gander-Twillingate (Mr. Lundrigan) pointed out that the federal government had shown some interest in education. I believe some remedial action is required. One must remember that from 1955 to 1968, the federal government really showed interest in technical education. Through federal subsidies, it enabled the provinces to build composite and trade schools. Such a move was designed to satisfy a Canadian need in the matter of technology and technical sciences, a really pressing need, and the participating provinces obtained federal grants for the construction of composite schools which provide a wide range of technical options and enabled the student to further an education that was formerly considered as possibly incomplete. We know that a technical school was considered as second rate, but it was no more true than it is today. A technician, a technologist is also a first class citizen. It is no sin for a man to labour in his vocation. And not everybody can go to university and get a doctorate or a degree. I feel that this federal program carried out in co-operation with the provinces was successful; it was undertaken under the government of the right hon. member for Prince Albert (Mr. Diefenbaker), more specifically from 1955 to 1957. Millions were spent. Why is it, for instance, that even today it is impossible for our minority schools in Ontario to obtain French textbooks, teaching audio-visual aids, films and slides, all that necessary teaching material? Because provincial budgets are limited by ceilings, and often federal grants to bilingualism are not given in addition to them but included in them, which to my mind is not fair. It is time to put a stop to that practice whereby provinces include in their general budgets federal funds intended for specific purposes. It is also time that the provinces gave some attention to the educational needs of minorities, perhaps those located in areas such as that of the hon. member for Gander-Twillingate and Ontario. Those problems are acute, important; the provinces, in conjunction with the federal government, could sit at the table and discuss them. As the hon. member for Gander-Twillingate said, this motion does not bind the government; it only expresses an intention, a proposal, which porposal I endorse.

● (1620)

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in my view there is no argument against the proposition that a Canadian is a Canadian regardless of where he lives in this country. I think it should be a main objective with us in Canada to make sure this is a country in which opportunities for a good life are as equal as they can be right across the land. That is why some of us are such strong advocates of universal programs in terms of pensions and social security; that is why some of us are such strong advocates of other government programs which raise the level of living and other standards all over Canada.

I fully agree with the hon. member for Gander-Twillingate (Mr. Lundrigan) that basic to all this, basic to the possibility of our attaining equality of opportunity, is the whole question of human resources and in particular the equality of educational opportunity. Even though the hon. member for Ottawa East (Mr. Gauthier) did offer the odd note of criticism here and there, he ended by offering to second the motion put forward by the hon. member for Gander-Twillingate and to support the idea that the federal government and the provinces should sit down together and discuss the whole question of human resources and educational opportunities across Canada.

This is the type of motion, I must say, which has been introduced a good many times in various forms during the years I have been here. However, that does not detract one iota from my desire to commend the hon. member for presenting his motion this afternoon. I am glad that thus far we are all in favour of it and I hope that even yet, despite the tradition of what happens to private members' motions in private members' hour, it just might get passed, and in doing so the House of Commons might say to the government: We think this is a good idea, an idea upon which you should act.

Mr. Ian Arrol (York East): Mr. Speaker, I should like to support the motion introduced by my hon. friend from Gander-Twillingate (Mr. Lundrigan) but with some slight difference in emphasis. I feel that formal education is highly overrated. I feel that the idea of formal education for all up to grades 12 and 13 is a failure. I suggest there is no necessary correlation between the amount of formal education a person has received and the worth of that person as an individual or his success financially. Success is not related significantly to the level of education. I hate to say this, but all modern research shows it: success is related to home background. The output of a school, no matter what facilities it has, is closely related to the backgrounds of its pupils when they enter. If they enter school unaware of literature, and so on, insensitive to it, that is, unfortunately, the way they leave.

● (1630)

I believe that this leads to a situation where, by giving everyone a great deal of education, you have on the one hand either woolly-headed theorists or, in the words of the poet Alexander Pope, bookfilled blockheads—and I suggest we have enough of those in Canada in all fields—or, on the other hand, by giving formal education to grade 12 or 13 you have an army of young people who are educated to become frustrated and bored.

The emphasis lately has been on doing your own thing. It is done in the name of the highest endeavour. It is said there must be development to the full potential, and so on. But this often means having people almost literally playing tiddleywinks or doing whatever interests them. As a result of being forced to receive education, and because it is socially the right thing to do, the whole process has been watered down. Now it is not so much a case of students doing their own thing; the teachers are doing their own thing as well, with the result that standards are lost without there being any formalized examinations.

However, I am still very much in favour of the motion because it presents a tremendous opportunity for the federal government to become involved, in co-operation with the provinces, in such fields as giving financial aid to education in the context of work and performance, education for small businessmen, and such things as that. The Canadian Chamber of Commerce in Quebec has become involved in this as a private venture, and it is one that could engage the federal government. For the small businessman who may have been a failure in mathematics at school there is now the opportunity to really learn what profit and loss is all about. I am sure we have all experienced meeting someone who has been an utter failure in mathematics until he decides to become an airline pilot, and suddenly overnight he is genius at mathematics. We should view this question in the context of education for tomorrow.

Through the Opportunities for Youth program the federal government could also involve itself in the encouragement of young people, who have ambition and the desire to get out of the four walls concept and into productive activity, to learn on the job. If they set up a business they could learn public relations, accountancy, advertising and about everything relating to that business.

I recognize that in the sciences it is mandatory that an opportunity be made available to attend university. For those who wish to pursue scientific activities, as well as those who have the interest and the imagination to pursue social fields or the world of literature, university is essential. But we do a disservice to the young people of Canada by trying to force them to enter what they feel is an alien atmosphere, this business of four walls. Something must be done about this and I think what should be done is what my colleague for Gander-Twillingate suggested, which is to get together with the provinces, admit that the situation has not been very good, and find out how the federal government might help finance whatever endeavours result from such a conference.

[*Translation*]

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, this is not the first time, on a Friday afternoon, that I prepared notes expecting to take part in a debate during the private members' hour, but in any case, I rarely have the opportunity to speak. In any event, I have not had much time to prepare for this debate which greatly interests me, and that, for various reasons that I shall spell out in a moment.

[Mr. Arrol.]

The notice of motion introduced by the hon. member for Gander-Twillingate (Mr. Lundrigan)—as the hon. member carefully explained himself—tends, no more no less, to ask the government to reflect on and consider the advisability of calling a national conference on education and human resources. Obviously, the motive is most commendable and valuable. There is no question about that. However, as regards the purpose of the motion the holding of another national conference, I suggest that, to say the least, I have some doubts on this matter because we hold so many national, federal-provincial or constitutional conferences which yield such disappointing results today that I have become somewhat sceptical as to their real value. Of course, time and patience conquer all things, but in this case I would say that I have reservations and the hon. member—I recognize that he is extremely well-meaning—has not quite convinced me of the need or urgency to call such a conference.

The debate may be opened with the prima facie recognition that the provinces have the first and last say in the field of education and there, Mr. Speaker, is the end of the debate, strictly speaking.

The hon. member has drafted his motion in broad enough terms for us to be able to talk of the many aspects of education at the national, provincial or strictly regional level, that is at the level of school districts, for instance.

The provinces have obviously had an acquired right for the past 105 years now, an exclusive jurisdiction over the field of education but, through some fortunate shifting, subsidies, special programs established most of the time, if not always, with the blessing of provincial authorities, the federal government has progressively infiltrated this exclusive jurisdiction of the provinces over education.

In addition to that exclusive jurisdiction enshrined in the Constitution of Canada, there is a traditionally recognized academic freedom not only at the university level but also at the school level in the sense that every province is free to prescribe the courses, the programs, the books it considers likely to further the education of students.

Of course, underlying any social structure is the family responsibility. And the Thomist philosophy I studied when I was in college recognizes that the family, the basic cell of society, has the prime responsibility in the field of education. So we must go back to the roots.

We are now faced with dreadful situations. National bodies dictate national standards and want to impose general standards upon the whole of the Canadian people. And this type of system tends not to solve problems but create dreadful situations. I might have time to further elaborate on that before I conclude my remarks.

The fact is that the subject brought forward by the hon. member for Gander-Twillingate (Mr. Lundrigan)—

[*English*]

Mr. Lundrigan: I said that.

Mr. Corbin: I realize the hon. member said it, but I would like to endorse it.

[*Translation*]

The hon. member for Gander-Twillingate speaks like one of those tumultuous rivers in which salmon goes upstream—I must admit that I had an opportunity to fish for Atlantic salmon with him this summer, and this is a compliment I want to pay him. He certainly has the gift of gab and he speaks sometimes so fast, he runs like one of the those cascading streams that I have difficulties following him.

Anyway, it so happens that while I was consulting the library, I found some kind of minutes of the second Canadian conference on education held in Montreal in 1962 and to which my colleague from Ottawa-East (Mr. Gauthier) referred a little earlier.

I found it most interesting to learn that people have been talking about the necessity or usefulness of holding a national conference on education for a long time. I can quote this document, the title is: *Educational programs, Programmes d'éducation, 1962.* It was published by the Canadian Conference on Education. The Canadian Federation of Agriculture had specifically submitted the following opinion, which I quote in English:

● (1640)

[*English*]

The Canadian Federation of Agriculture recognizes that—

The constitutional prerogatives of the provinces in the field of education exist. Not only should they be respected but they are necessary to give essential flexibility and autonomy in educational policy to the people of the various provinces.

[*Translation*]

And it is for that specific reason, Mr. Speaker, that I have certain reservations.

And here I sort of go half way with my colleague.

[*English*]

Yet Canada is also a nation. In the opinion of the Canadian Federation of Agriculture, Canada can, as a nation, properly strive to have national goals and standards that would represent a consensus on basic needs and would contribute to the strengthening of the nation as well as to improving its methods of educational financing and to achieving equality of educational opportunity for its citizens.

[*Translation*]

I think that in this resolution, emphasis has been placed on the need to develop general financing programs and on access to education rather than on interference in the formulation of programs and the setting of standards as such.

In this same publication, I also noted another resolution formulated by the Canadian Federation of Mayors and Municipalities, which reads as follows. I quote, in English:

[*English*]

Whereas the school is one of the foundations on which we build the structure of our democratic society—

[*Translation*]

As for me, it is rather the family, but for the Canadian Federation, it is the school.

[*English*]

Whereas it is desirable that a high level of education be assured for every boy and girl throughout the nation; and

Whereas the limited field of revenue available to municipalities does not and cannot yield the funds required to meet existing as well as future responsibilities in the sphere of education; and

Whereas under the British North America Act education is a provincial and not a federal responsibility; and

Whereas it is imperative, therefore, that provincial governments be placed in a position whereby they will be able to contribute more substantially to the costs of primary and secondary education:

Therefore be it resolved that the Dominion and Provincial Governments be urged to consider ways and means whereby, through appropriate and mutually agreed upon financial arrangements, the provinces of Canada may more adequately support the local costs of education throughout the nation.

[*Translation*]

Of course, there have been many changes in our provincial education systems since that resolution was adopted by the second Canadian Conference on Education, but the fact remains and I think that it went to the heart of the problem. In fact, if the federal government gives the provinces the necessary funds to allow them to fulfil their responsibilities and their obligations in the field of education, I think they will quickly come to an agreement and this is the level at which an agreement must be made. We will then have reached the goals described by the hon. member for Gander-Twillingate (Mr. Lundrigan).

I don't see myself at all as the premier of New Brunswick and I have no such aspirations, but let us suppose for a moment that I were, I would see in a very bad eye the federal government inviting me to a conference on that difficult question. My first reaction would be, as it would be for Newfoundland, Quebec, Ontario or British Columbia, to tell the federal government to get lost, to tell them: "This is none of your business, we have exclusive jurisdiction—

[*English*]

Mr. Lundrigan: Leave Newfoundland out, we are broad-minded about it.

Mr. Corbin: All right; I will come back to certain statements you made earlier about the province of Quebec.

[*Translation*]

I think that the provinces would refuse to attend or be convened to such a meeting, unless the federal government specified that the only purpose of the conference were to define the means through which the national government could further contribute, but financially only, to the progress of education in Canada, at the level of each province.

They talk of norms—in English, we call them "standards". Of course, as the hon. member for Ottawa East (Mr. Gauthier) has stated earlier, standards vary greatly. This may be the drawback of a free system of education whose foundations are provincial, but this may be fortunate because each region of this country has its own characteristics, traditions and requirements, and education is given

first and above all in order to meet the needs of an area, the immediate needs of families and those of the local economy.

Now, I recognize that the Canadian population is becoming more and more mobile and that a 15 year old boy who is now attending school may expect, when he has reached a certain level of technical training, for instance, to move his family no fewer than three or four times before he reaches the age of 65. That is what statisticians tell us. So, it would not be a bad thing if the provinces—and I do mean the provinces—would agree to establish uniform standards so that the student might bring from one province to the other a basic knowledge enabling him to be up to date should his family move for some reason.

● (1650)

Now, on the subject of standards, there is also talk about equality but the imposition of national standards would not necessarily result in equality, for instance as far as bilingualism and access to education in the language of one's choice are concerned. I know quite well that in New Brunswick, as is often said, spoken or taught French is perhaps not of the same quality as that taught in Quebec but we are getting closer and closer precisely because of the help provided by Quebec for the teaching of the French language in our province.

But in New Brunswick we have passed the stage where so-called bilingual education all boiled down to studying French as such. Nowadays in New Brunswick a student can take courses in his mother tongue from grade one to grade 12 inclusive. The province of Quebec also helped enormously our young graduates from New Brunswick colleges by admitting them to its faculties of medicine, dentistry and optometry. That contribution of the province of Quebec to New Brunswick youth is beyond value. Coming back to my hon. friend from Gander-Twillingate who said that the education system in the province of Quebec was quite retarded, I think that it is in great need of a boost, I must say that he is not entirely correct. I am not in a position to make comparisons between provinces. I do not want to make any with his province of Newfoundland. For that matter, he warned me not to make any but I must admit that Quebec universities offer an education whose value is recognized throughout the world and that is certainly being appreciated by thousands of French-speaking people in New Brunswick who did not have those institutions at home and who availed themselves of the good offices of the government of the province of Quebec.

Mr. Speaker, I do not want to be the one to kill this motion. Still, I would like to add a few words. In principle, I am not against holding a national conference on education, but I fail to see what it would accomplish for the simple reason that the provinces are going to put their foot down and tell the central government "Mind your own business!" If you have money to give us, fine, we will accept it, but don't you dare tell us what to do at home. If our constitution were more flexible, of course we could speak of greater co-operation. I hope the Canadian constitution—at long last—evolves to the point where it will recognize that there are some weaknesses to be corrected today which did not exist 105 years ago, especially in the field of education.

[Mr. Corbin.]

In principle, I do feel that, in the case of a conference on the constitution, the federal and provincial governments should try to find common grounds for an agreement on changing the constitution so as to achieve the objectives advocated by the hon. member for Gander-Twillingate; but, for the time being, thinking of it is useless: it is simply unthinkable.

In addition, many an example can be given to illustrate today's abuses in federal and provincial government relations in the field of education. For instance, the federal government has poured millions of dollars since 1971, towards the teaching of the language of the minority, the second language. It grants subsidies to the provincial governments which, to this day, are not required to account for the use of funds granted according to a predetermined formula to which they have agreed.

Fortunately, thanks to the representations made by members from New Brunswick, Ontario and others, the Secretary of State (Mr. Faulkner) obtained this summer that the province of New Brunswick account for the spending of these grants so that the taxpayers may know whether they served the purposes for which they were granted. So, New Brunswick complied with this request of the federal government and from now on for the next fiscal years, it will account for the spending of these sums of money.

Mr. Speaker, I conclude my remarks. I would have liked to do a bit more research. Nevertheless, I think that, after all, I expressed the substance of my thoughts. The doubts that I have voiced are justified, I think, because I feel to see what could be accomplished in the present constitutional context through a national conference on education and human resources.

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, some of the remarks made by the hon. member for Gander-Twillingate (Mr. Lundrigan) have particularly drawn my attention.

He mentioned our educational system in Quebec and nearly accused it of being responsible for all the province's problems for the last 30 years.

An hon. Member: This is not new.

Mrs. Morin: It is true that the Quebec system has many faults, but there have been many changes since the presentation of the Parent report and I would like to tell you about them.

In the past, our system included three main categories: the traditional classical studies, the business studies and the technical studies. The greatest difficulty was the fact that it was impossible to go from one system to another. If a youth started his classical studies and failed at the grade 10 or 11 level, his career and his whole life were ruined. If he could not change over to science or business studies, he was through. The same applied to the youth who started business studies; he could not register in any of the university schools and the same was true in the case of the student registering in a technical course: there was but one field open to him: trades or technical sciences.

Then, the Parent Report suggested great changes. Nowadays, the student completes the same courses up to grade

eight and already in grade nine, there is a system of options enabling him to choose science or commerce or classics but should he stop somewhere along the line, should he be unable to complete whatever course he has undertaken he may switch to another course and that has been a very great reform. However, we have created the CEGEP system in Quebec; it was expected to be a very substantial reform but I am wondering whether it gave the results that were expected. Today, after grade twelve, students may go to a CEGEP where they still have the privilege of an option system: science or classics. At the end of this CEGEP course, the student gets a diploma but there is something lacking here: that diploma, unlike the former B.A., does not seem to be recognized to the same extent in other provinces. Therefore, there should be an agreement—I am not against the Conference on Education—as to the degree granted to college graduates or as to the prerequisites on the part of universities. I think there is something lacking there.

Moreover, some Canadian universities have a credit system while in others, the student must still complete an academic year. So there is another weakness: should the student fail at the end of his academic year, he must repeat while under the credit system, if he does not get two credits, he can be promoted to the second or third year, provided he registers again in the course, where he failed.

Some Canadian universities have not yet set up such a credit system and, in my opinion, such a reform is called for. Could it not be done at the Conference on Education? I would have no objection, but because of shared powers the provinces have jurisdiction in the field of education, and I wonder if Quebec would agree to such decisions being made along with other government agencies?

Mr. Speaker, it is five o'clock.

Mr. Speaker: The hour appointed for consideration of private members' business has not expired. It being five o'clock, the House stands adjourned until 2 p.m. on Monday.

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

HOUSE OF COMMONS

Monday, September 10, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

INCOME TAX ACT

On the order: Introduction of Bills:

September 5, 1973—Mr. Reynolds—Bill intituled: "An act to amend the Income Tax Act".

Mr. Speaker: The hon. member for Burnaby-Richmond-Delta has asked that this bill stand. In fairness to the hon. member I think I should indicate that the Chair has reservations about the procedural acceptability of the bill proposed by him. I think I should warn him that my reservations have reference to the possibility that this bill might well affect either the balance of ways and means or the financial initiative of the Crown. I am sure that in drafting the bill the hon. member realized the difficulty that confronted him. I am not now, of course, making a ruling on it, but whenever the hon. member is prepared to have the bill moved for first reading he should at that time be prepared to convince the Chair that the bill is acceptable from a procedural standpoint.

Mr. Reynolds: Thank you, Mr. Speaker. I shall do so.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

CITIZENSHIP COURTS

Question No. 1,691—**Mr. Stewart (Okanagan-Kootenay):**

1. How many judges are there in Citizenship Courts in Canada and (a) what is the remuneration paid them (b) what are the qualifications for appointment?

2. What are the locations of the Courts and how often do they sit?

3. Are there any vacancies to be filled at the present time?

4. Are any new appointments contemplated at the present time?

Hon. James Hugh Faulkner (Secretary of State): 1. Fifteen. (a) In the range $14,988 to $20,421. (b) The statute specifies none.

2. Halifax, Moncton, Montreal, Ottawa, Sudbury, Toronto, Hamilton, London, Winnipeg, Regina, Calgary, Edmonton and Vancouver. The Courts sit daily or less frequently depending upon the volume of business.

3. Yes.

4. Yes.

OFY—PORTNEUF CONSTITUENCY

Question No. 1,781—**Mr. Godin:**

1. In January 1973, under the Opportunities for Youth Program, how many citizens in the constituency of Portneuf were considered as "resource persons" called on to state the priority needs in the constituency?

2. What is the name and address of each such person?

3. Were they consulted by the liaison office and, if so (a) how many times (b) on what dates?

4. Have members of this first group been fired recently and, if so (a) on what recommendations (b) by whom were they replaced (c) what are the names and addresses of such persons?

Hon. James Hugh Faulkner (Secretary of State): 1. While resource persons are not chosen on the basis of the federal constituency in which they reside, a Local Advisory Committee for the County of Portneuf was established in March 1973, and consists of seven members and three consultants.

2. The names and addresses of those persons who were named to the Local Advisory Committee established in March 1973 are as follows: Monsieur Gaston Brière, Service aux étudiants, Commission scolaire régionale, Tardivel, Pavillon administratif, Donnaconna (Québec); Monsieur Hervé Frénette, cultivateur, 34, rue Saint-François, Cap-Santé (Québec); Monsieur Jacquelin Genois, directeur, Polyvalente Saint-Raymond, 400, boul. Cloutier, C.P. 1077, Saint-Raymond (Québec); Monsieur Michel Ingels, directeur, Service social de Portneuf, 324, rue de l'Église, Donnaconna (Québec); Mademoiselle Martine Langlois, étudiante, 3050, rue de la Chapelle, Portneuf (Québec); Madame Yolande Dussault, directrice, Centre culturel de Donnaconna, 245, rue Royer, Donnaconna (Québec); Monsieur Luc Walsh, 105, av. Jacques-Cartier, Donnaconna (Québec).

The following persons are attached to the committee as consultants: Monsieur Pierre Guy, Conseil régional des loisirs, 310, rue de l'Église, Donnaconna (Québec); Monsieur Raymond Béland, Service social de Portneuf, 324, rue de l'Église, Donnaconna (Québec); Monsieur Gaston Frénette, policier, Cap-Santé (Québec).

3. They were consulted frequently but no records were kept of the dates of these consultations.

4. None.

Order Paper Questions

OFY—GRANTS IN CONSTITUENCY OF YORK NORTH

Question No. 2,000—**Mr. Stevens:**

1. In the constituency of York North, in each of the past three years, how many applications were received for OFY grants and for each year, what were the aggregate amounts requested in the applications?

2. How many of the applications were approved and what were the aggregate amounts so approved in each of the three years?

3. What was the actual amount dispersed in each year including the amount dispersed to date in the current year?

4. Were there applicants approved in the current year who were also successful applicants in one or more of the previous years and, if so, how many were there and what were the aggregate amounts involved in each of the years?

5. How many jobs were created in the constituency in each of the years through implementation of OFY projects?

Hon. James Hugh Faulkner (Secretary of State): 1. Statistics on applications submitted for funding are available on a provincial basis, and not by constituency, for 1972 and 1973 only.

2. A list of all projects funded under the 1971 Opportunities for Youth Program has been completed. Projects are classified by province and type, and in order of project number, not by constituency. Information includes the project title, a short description of the project activities, amount of the grant, number of participants, and the name and address of the project representative. A list of all projects funded under the 1972 Opportunities for Youth Program has been completed. Projects are classified by province and in alphabetical order of the towns and cities in which the projects were carried out, not by constituency. Information includes the project title and number, a short description of the project activities, amount of the grant, number of participants and the name and address of the project representative. This 421 page listing can be obtained from the Secretary of State Department. A similar list of all projects funded under the 1973 Opportunities for Youth Program is being compiled.

3. See answer to Part 2.

4. No tabulated records exist for OFY applicants approved in the current year who were also successful applicants in one or more of the previous years.

5. See answer to Part 2.

OFY—GRANTS IN CONSTITUENCY OF PEEL-DUFFERIN-SIMCOE

Question No. 2,001—**Mr. Stevens:**

1. In the constituency of Peel-Dufferin-Simcoe, in each of the past three years, how many applications were received for OFY grants and for each year, what were the aggregate amounts requested in the applications?

2. How many of the applications were approved and what were the aggregate amounts so approved in each of the three years?

3. What was the actual amount dispersed in each year including the amount dispersed to date in the current year?

4. Were the applicants approved in the current year who were also successful applicants in one or more of the previous years and, if so, how many were there and what were the aggregate amounts involved in each of the years?

5. How many jobs were created in the constituency in each of the years through implementation of OFY projects?

[Mr. Faulkner.]

Hon. James Hugh Faulkner (Secretary of State): 1. Statistics on applications submitted for funding are available on a provincial basis, and not by constituency, for 1972 and 1973 only.

2. A list of all projects funded under the 1971 Opportunities for Youth Program has been completed. Projects are classified by province and type, and in order of project number, not by constituency. Information includes the project title, a short description of the project activities, amount of the grant, number of participants, and the name and address of the project representative. A list of all projects funded under the 1972 Opportunities for Youth Program has been completed. Projects are classified by province and in alphabetical order of the towns and cities in which the projects were carried out, not by constituency. Information includes the project title and number, a short description of the project activities, amount of the grant, number of participants and the name and address of the project representative. This 421 page listing can be obtained from the Secretary of State Department. A similar list of all projects funded under the 1973 Opportunities for Youth Program is being compiled.

3. See answer to Part 2.

4. No tabulated records exist for OFY applicants approved in the current year who were also successful applicants in one or more of the previous years.

5. See answer to Part 2.

OFY—GRANTS IN CONSTITUENCY OF YORK-SIMCOE

Question No. 2,002—**Mr. Stevens:**

1. In the constituency of York-Simcoe, in each of the past three years, how many applications were received for OFY grants and for each year, what were the aggregate amounts requested in the applications?

2. How many of the applications were approved and what were the aggregate amounts so approved in each of the three years?

3. What was the actual amount dispersed in each year including the amount dispersed to date in the current year?

4. Were there applicants approved in the current year who were also sucessful applicants in one or more of the previous years and, if so, how many were there and what were the aggregate amounts involved in each of the years?

5. How many jobs were created in the constituency in each of the years through implementation of OFY projects?

Hon. James Hugh Faulkner (Secretary of State): 1. Statistics on applications submitted for funding are available on a provincial basis, and not by constituency, for 1972 and 1973 only.

2. A list of all projects funded under the 1971 Opportunities for Youth Program has been completed. Projects are classified by province and type, and in order of project number, not by constituency. Information includes the project title, a short description of the project activities, amount of the grant, number of participants, and the name and address of the project representative. A list of all projects funded under the 1972 Opportunities for Youth Program has been completed. Projects are classified by province and in alphabetical order of the towns and cities in which the projects were carried out, not by constituency. Information includes the project title and number, a short description of the project activities, amount of the

grant, number of participants and the name and address of the project representative. This 421 page listing can be obtained from the Secretary of State Department. A similar list of all projects funded under the 1973 Opportunities for Youth Program is being compiled.

3. See answer to Part 2.

4. No tabulated records exist for OFY applicants approved in the current year who were also successful applicants in one or more of the previous years.

5. See answer to Part 2.

OFY—GRANTS IN CONSTITUENCY OF ONTARIO

Question No. 2,003—**Mr. Stevens:**

1. In the constituency of Ontario, in each of the past three years, how many applications were received for OFY grants and for each year, what were the aggregate amounts requested in the applications?

2. How many of the applications were approved and what were the aggregate amounts so approved in each of the three years?

3. What was the actual amount dispersed in each year including the amount dispersed to date in the current year?

4. Were there applicants approved in the current year who were also successful applicants in one or more of the previous years and, if so, how many were there and what were the aggregate amounts involved in each of the years?

5. How many jobs were created in the constituency in each of the years through implementation of OFY projects?

Hon. James Hugh Faulkner (Secretary of State): 1. Statistics on applications submitted for funding are available on a provincial basis, and not by constituency, for 1972 and 1973 only.

2. A list of all projects funded under the 1971 Opportunities for Youth Program has been completed. Projects are classified by province and type, and in order of project number, not by constituency. Information includes the project title, a short description of the project activities, amount of the grant, number of participants, and the name and address of the project representative. A list of all projects funded under the 1972 Opportunities for Youth Program has been completed. Projects are classified by province and in alphabetical order of the towns and cities in which the projects were carried out, not by constituency. Information includes the project title and number, a short description of the project activities, amount of the grant, number of participants and the name and address of the project representative. This 421 page listing can be obtained from the Secretary of State Department. A similar list of all projects funded under the 1973 Opportunities for Youth Program is being compiled.

3. See answer to Part 2.

4. No tabulated records exist for OFY applicants approved in the current year who were also successful applicants in one or more of the previous years.

5. See answer to Part 2.

Order Paper Questions

CANADIAN RECIPIENTS OF ROYAL HONOURS

Question No. 2,355—**Mr. Coates:**

Are accurate lists of living Canadian recipients of Royal Honours maintained and (a) if so, by what department and are they available to the public (b) if not, for what reason?

Right Hon. P. E. Trudeau (Prime Minister): Records have been kept of the names of Canadian recipients of orders and decorations conferred by the Sovereign, extending back over many years. Whenever information comes to hand about the decease of holders of such honours, the records are amended but deaths are often not reported nor found in obituary notices. Hence, the records are necessarily incomplete. (a) Until 1972, records of honours were kept by the Secretary of State Department but are now held in the Honours Secretariat, Government House. Information is supplied to the public in response to specific inquiries concerning holders of these honours. (b) See answer to part (a).

CONSULTATIONS BETWEEN MOT AND PROVINCIAL GOVERNMENTS—GROS MORNE NATIONAL PARK

Question No. 2,455—**Mr. Marshall:**

1. Has any consultations taken place between the Department of Indian Affairs and Northern Development and the Department of Transport to provide for the influx of tourists which will take place as a result of the establishment of the Gros Morne National Park in the Province of Newfoundland and, if so, what action has been taken?

2. Has any consultation taken place between the federal and provincial governments as to future needs of harbour development in the Gros Morne National Park area and, if so, what action has been taken?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): (1) The Department has not been in consultation with the Ministry of Transport. Parks Canada will be providing interim camping and picnic facilities to meet tourist needs while permanent facilities are being developed.

2. Consultation has taken place regarding the landing areas and associated staging facilities within the boundaries of the proposed National Park. Parks Canada will maintain these areas and facilities and will consult with local fishermen regarding any necessary improvement.

MARITIME COMMAND—HYDROFOILS

Question No. 2,502—**Mr. Bawden:**

1. In light of the recent contract for $42.6 million awarded to the Boeing Co. by the U.S. Navy to construct hydrofoil ships for use by NATO, were the Canadian Forces ever approached to use the hydrofoil now in dry dock in Halifax for such purposes?

2. In light of the need by NATO for such hydrofoils, is any consideration being given to recommencing the hydrofoil construction program?

3. What are the names of the leading engineers who worked on the design team that built the Canadian hydrofoil?

4. To the knowledge of the government, with what companies are the above engineers now employed?

Hon. James Richardson (Minister of National Defence): 1. The contract referred to is for a Patrol (Hydrofoil (Missile) boat which is part of a three-nation (Italy, Germany and the United States) program within

NATO. In 1970-71 Canada was one of the contenders to provide such a craft based on the *HMCS Bras d'Or* design but the U.S. craft was chosen because of its lower cost. While considering the gun/missile boat program NATO nations also looked into the use of hydrofoils as anti-submarine craft. *HMCS Bras d'Or* was offered as a test platform for a NATO project group. While some six nations expressed interest none have agreed to supply the funds required for such a program.

2. Not at this time.

3. Messrs. F. H. Buller, J. R. Uffen, R. W. Becker, B. V. Davis, G. L. Oates, S. Morita and M. J. Callow.

4. All of the above engineers are employed by the DeHavilland Aircraft Company of Canada Limited in Toronto except Mr. B. V. Davis who is with Hydronautics Research and Consultants Limited in Halifax.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

BEER AND ALCOHOL ADVERTISING

Question No. 2,070—**Mr. Carter:**

1. Does the government regulate beer and alcohol advertising on radio and television?

2. How much money was spent on such advertising in each of the past five years by the government?

3. If the government does not regulate such advertising, does it intend to do so, and if not, for what reasons?

4. Has the CRTC studied, is it studying, or will it study the possibility of banning alcohol and beer advertising and, if not, for what reasons?

5. Does the government intend to issue directives in this respect?

6. How many (a) automobile accidents (b) deaths, have occurred in each of the past five years in which alcohol was involved?

7. What is the established percentage of mental patients in hospitals, psychiatric wards, and medical and surgical wards whose presence there is related to alcohol?

8. What is the estimated percentage of arrests caused by alcohol?

9. What is the federal expenditure on promotion of alcohol and beer?

Return tabled.

POST OFFICE DEPARTMENT—PURCHASE OF STEP VANS

Question No. 2,480—**Mr. Dinsdale:**

1. (a) How many new step vans have been purchased by the Post Office Department (b) where and in what numbers are these vans located?

2. To whom was the contract awarded and what were the competing bids?

3. Was there consultation with (a) the Postal Union (b) the Letter Carriers Union before the decision was taken to purchase the vehicles and, if so (i) on what date did the consultations take place (ii) with whom (iii) did the unions approve of the decision?

4. Have there been any complaints about the vehicles and, if so (a) what is the nature of the complaints (b) from what source did they originate?

Return tabled.

[Mr. Richardson.]

GROS MORNE NATIONAL PARK

Question No. 2,541—**Mr. Marshall:**

1. What jobs will be available in the Department of Indian Affairs and Northern Development in connection with the Gros Morne National Park?

2. What are the necessary qualifications for each of the jobs?

3. Has consultation with the Department of Manpower and Immigration taken place with regard to the provision of manpower retraining courses for applicants for the jobs and, if so, what action has been taken?

4. Has consultation taken place between the federal and provincial governments to ensure that residents of the area will be given every opportunity to acquire these jobs and, if so, what action has been taken?

5. Will the jobs available under federal jurisdiction be subject to Public Service Regulations?

6. Will the jobs available be subject to language requirements under the Official Languages Act?

7. Will concessions in the park be under the jurisdiction of the Department of Indian Affairs and Northern Development and, if so, how will they be advertised?

8. What are the conditions which applicants for concessions in the park will have to fulfil?

9. Will service by concessionnaires have to be provided under the terms of the Official Languages Act and, if so, what are these terms?

Return tabled.

Mr. Cossitt: Mr. Speaker, I rise on a point of order. I respectfully refer the parliamentary secretary to order paper questions Nos. 2,271 to 2,280 inclusive which ask for the names of lawyers on the list maintained by the government of those selected and approved to do government legal work. I first asked for this information by order paper questions about five months ago in early April, and when the requested information was not forthcoming in the answers I again sought the information by means of the order paper questions to which I draw attention today because they have remained on the order paper unanswered for almost three months.

This is the third or fourth time I have risen on a similar point of order and asked for some indication from the parliamentary secretary of when answers will be forthcoming. I have been given no valid reason so far why this information has not been furnished. I conclude by saying that surely the parliamentary secretary must be by now in a position to indicate to the House when these answers will be given. Anything else can only indicate questionable skeletons in the government's pork barrel legal closet.

Mr. Clark (Rocky Mountain): On a point of order, Mr. Speaker, I should like to draw the attention of the parliamentary secretary to starred question No. 2,346 which has been on the order paper in my name since June 21, 2½ months ago. It asks for the names and lines of responsibility of any staff that might be accountable to the Minister of State in charge of multiculturalism, if indeed he has any staff.

ORAL QUESTION PERIOD

[*English*]

ENERGY

GASOLINE PRICE INCREASE IN MONTREAL—POSSIBILITY OF ROLL-BACK—INVESTIGATION BY COMBINES BRANCH

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister dealing with the combines investigation going on in Montreal as a result of the 2½ cents per gallon increase in the price of gasoline. Is the Prime Minister now in a position to advise the House whether the government is requesting a roll-back in the 2½ cents per gallon increase in the price of gasoline by the 500 Montreal service stations and, if so, will a statement be made in this regard in the very near future?

● (1410)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am advised that as a result of an apparently collective decision by the retailers in the Montreal area there has been an increase, or proposed increase, at the retail level. As I indicated to the House last week, we do not have jurisdiction to control prices at the retail level, but jurisdiction does exist, of course, against any collusive arrangements resulting in any unreasonable or unjustified increases in price. It is on the basis of the Combines Investigation Act that action has been taken. The Combines Investigation Act does not include the power to roll prices back without due judicial proceedings.

ALLEGED ORDER TO GULF STATIONS IN WINNIPEG TO INCREASE GASOLINE PRICES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, let me go to another area, seeing that the government is prepared to allow things to stay as they are. Can the minister advise me whether he is aware of the fact that in Winnipeg non-independent Gulf stations were ordered to increase gasoline prices by as much as four cents per gallon? Has the minister contacted Gulf in this regard and has he requested Gulf to roll back that increase?

Hon. Donald Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I was in touch with Gulf this morning and was advised that the Canadian Press report was not a factual report.

REPRESENTATIONS BY GOVERNMENT TO OIL COMPANIES AGAINST RETAIL GASOLINE PRICE INCREASES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my last supplementary is this: In view of the concern that has been registered by everyone with respect to the increases by retailers, has the government made any direct representations to the major oil companies about holding the line on retail gasoline prices? If so, what has been their response?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, given the structure of the industry and the fact that in a very substantial number of cases the retail level is determined by independent operators, the companies have taken the position that while they can have some control upstream, if you like, from the retail level, they cannot control the retail level itself, as, indeed, I pointed out to the House last week.

GASOLINE PRICE INCREASES—POSSIBILITY OF WIDER POWERS FOR PRICES REVIEW BOARD

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, may I direct a supplementary question to the Minister of Energy, Mines and Resources. In light of the increases in gasoline prices proposed in western and eastern Canada, is the minister considering giving wider powers to the Prices Review Board in order that gasoline may be investigated?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I pointed out, the report that the hon. member for Hamilton West referred to respecting western Canada apparently is not an accurate report. With regard to the Montreal situation, a combines inquiry is in process. As to whether the powers of the board would be increased, I would have to take that under advisement. That, of course, would not be my decision.

OIL—REQUESTED ABOLITION OF OTTAWA VALLEY LINE PENDING POSSIBLE EXTENSION OF PIPELINE TO MONTREAL

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, may I ask another supplementary further to the question of oil and the proposed pipeline to eastern Canada. Pending the decision on the construction of an oil pipeline to Montreal, is the government prepared to remove the Ottawa Valley line and permit the movement of western Canadian oil or offshore oil by truck and boat past the Ottawa Valley so that real competition ensues and the consumer benefits from lower prices?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resource): Mr. Speaker, I should point out to the hon. member that the direction of lower prices has been reversed from east to west to west to east and, in fact, over one million barrels of crude moved last week from the Ontario region into the Montreal refinery market.

PROPOSED EXTENSION OF PIPELINE FROM TORONTO TO MONTREAL—GOVERNMENT POSITION IN LIGHT OF OPPOSITION BY QUEBEC PREMIER

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I ask a supplementary question. As Premier Bourassa is now opposed to the building of a pipeline from Toronto to Montreal, has the government now withdrawn the idea of constructing that pipeline as announced last week by the Prime Minister?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I will be seeing representatives of the Quebec government this week, as, indeed, I will be seeing representatives of the Alberta government,

for the purpose of discussing this matter. The basic position I have taken with the Quebec government is that if they can provide absolute assurance as to security and price in the Montreal market we will indeed reconsider the decision.

Mr. Woolliams: Mr. Speaker, may I direct a supplementary question to the Prime Minister. As the premier has stated openly and frankly that he is opposed to the building of the pipeline, may I ask the Prime Minister whether there was any thought of consultation and was there any consultation between the government and the province of Quebec before the announcement was made, and has that project now been withdrawn, as the national media have told the Canadian people?

Mr. Macdonald (Rosedale): Mr. Speaker, there were indeed consultations with Quebec officials, although not with Premier Bourassa, last July as a result of the energy analysis in which the security situation in the Montreal market and the Montreal pipeline were discussed. As I have indicated, the project remains the only really viable way of protecting the Montreal market unless the Quebec government can show absolutely that it will be protected by international contract. We will wait to see that.

Mr. David Lewis (York South): Mr. Speaker, I wish to address a question to the Prime Minister on the same subject. He may see fit to answer it instead of leaving it to the Minister of Energy, Mines and Resources. It was the Prime Minister who made the statement last Tuesday. As I read the statement and listened to him, he made a firm statement that the oil pipeline will be extended to Montreal. Is that still the policy of the government or has there been any change in policy since last Tuesday?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer I would give would be exactly the same as that just given by the Minister of Energy, Mines and Resources.

Mr. Lewis: May I ask the Prime Minister or the Minister of Energy, Mines and Resources, either in a brief reply now or in a statement on motions, to inform the House exactly when consultations with the Quebec government took place before last Tuesday, what was the nature of those consultations, and what was the nature of any agreement, if an agreement was reached?

Mr. Macdonald (Rosedale): Mr. Speaker, I referred to that in a previous answer. There were discussions on the subject in July. I think it is fair to say the position of the Quebec government is consistent with its present position, namely, that it was opposed to an extension into Montreal. We felt there was not sufficient evidence that Montreal could be protected in the position they have shown. I think it is also fair to say they have taken that position publicly since then.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for York South on the last supplementary for the moment in any event so it can recognize the hon. member for Champlain . . .

[Mr. Macdonald (Rosedale).]

[*Translation*]

. . . and complete the first round of questions. We will then return to this matter if hon. members want to do so. For the moment, the hon. member for York South (Mr. Lewis) can ask his second supplementary question.

Mr. Lewis: Thank you, Mr. Speaker.

[*English*]

My supplementary is for either the Prime Minister or the Minister of Energy, Mines and Resources. In view of the fact the Quebec government made it clear in July that it was opposed to the idea of a pipeline to Montreal, and in view of the statement by the Prime Minister that the federal government intended to build one, what change has there been in the situation to justify the minister reneging on the statement made by the Prime Minister?

Mr. Macdonald (Rosedale): Mr. Speaker, I would point out that the statement made the other day was subject to discussions with the province and with industry.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): As we pointed out, the purpose of building a pipeline would be to protect the Montreal market in relation to security and cost. If they can achieve that by international agreement, I would agree that the concept should again be reviewed. However, at the moment they have shown us no evidence whatsoever that they can protect their position, both from a security and cost standpoint, in light of international events.

[*Translation*]

PROPOSED EXTENSION OF OIL PIPELINE TO MONTREAL—DISCUSSION BETWEEN OTTAWA AND QUEBEC

Mr. René Matte (Champlain): Mr. Speaker, I should like to put to the Prime Minister a specific question arising from those of the previous speakers.

Could he tell us whether he has met recently the Quebec premier or exchanged correspondence with him in connection with the federal project promoting the construction of a pipeline to carry western oil to Quebec?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. As the Minister of Energy, Mines and Resources has just indicated to the House, the discussions were held between his employees and provincial officials.

PROPOSED EXTENSION OF OIL PIPELINE TO MONTREAL—POSITION OF QUEBEC

Mr. René Matte (Champlain): Mr. Speaker, I have a supplementary.

Could the Prime Minister or the Minister of Energy, Mines and Resources indicate to the House whether the Quebec government formally voiced its disagreement in connection with that policy announced last Tuesday by the Prime Minister?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have just indicated that the Quebec government did so in July and again last week.

* * *

● (1420)

[*English*]

GRAIN

DOMESTIC WHEAT—ADDITIONAL INCREASE IN PRICE TO WESTERN PRODUCERS—REQUEST FOR EXPLANATION

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the minister responsible for the Wheat Board arising from the statement he made over the week-end, one which has given rise once again to confusion among those engaged in the grain industry, particularly in western Canada. Could the minister explain the reasoning behind the additional 50-cent increase which he announced and which has been offered, really, to western producers to sweeten the pot?

Mr. Speaker: Perhaps the hon. member would rephrase the question. When a member asks a minister to explain the reasoning behind a decision he is really asking him to make a statement on motions. Maybe that is what the hon. member wishes to do. On the other hand, it may be he wishes to put the question in other terms.

Mr. Murta: I will rephrase my question. I should like to ask the minister why he considered it necessary to make this announcement concerning the additional 50-cent increase in Regina on the weekend and not in the House? To my knowledge, to this date he has never made a statement to the House.

Hon. Otto E. Lang (Minister of Justice): I hope to take the opportunity of the debate on the subject matter which will shortly be before the House to make a more elaborate statement this afternoon. The exact levels in relation to an agreement on prices for domestic wheat were subject to further discussions with farm leaders as well as with the Wheat Board. Those discussions took place in Winnipeg and Regina on Friday.

Mr. Murta: Will the proposed ceiling and floor the minister has talked about be in effect for the seven years he has mentioned in the House? Further, will the measures he proposes be brought in by way of legislation and, if so, when will such legislation be brought down?

Mr. Lang: Mr. Speaker, I would wish to discuss the matter further with my colleagues, particularly with the President of the Privy Council, in connection with the precise timing, but I believe a portion, at least, of the stated policy should be established by legislative enactment. I would hope we might find a relatively early period in the somewhat full parliamentary schedule when this could be done.

Mr. Murta: I should like to ask one further supplementary arising from the events of the past few days. Why does the government consider it necessary for one segment of the economy to subsidize the total economy, which is what the hon. gentleman's proposals would mean?

Mr. Speaker: Order, please. A question asked in those terms is not in order.

WHEAT—REQUEST THAT INITIAL PAYMENT BE INCREASED IN LIGHT OF HIGHER DOMESTIC AND EXPORT PRICES

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a further question to the minister responsible for the Wheat Board. Since the hon. gentleman has announced a higher price for domestically used wheat, and since the price on the international market is better than it has been, will he consider increasing the initial payment to farmers on wheat?

Hon. Otto E. Lang (Minister of Justice): The Wheat Board will, no doubt, be considering its over-all policy throughout the year with regard to the interim payments at least, even if it might not be appropriate to change the initial payment at this stage.

DURUM WHEAT—ASSURANCE THAT BENEFITS OF SUBSIDY WILL BE PASSED ON TO CONSUMERS OF PRODUCTS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to ask the minister a question with regard to his policy concerning the pricing of Durum wheat, a policy which means that at present prices the producers wll be subsidizing the domestic market to the tune of three or four dollars a bushel. Has the minister held discussions with the processors and manufacturers of pasta and other products of Durum, and has he received definite assurances from them that the benefits of subsidy will be passed on to the consumer?

Hon. Otto E. Lang (Minister of Justice): I did not enter into discussions directly with those manufacturers. The over-all pricing practices certainly relate the prices of these products to the price being charged for wheat. I might add that I take issue with the hon. member's suggestion that there is something in the order of a $3 differential. The actual differential from the world selling price is certainly significantly less than that figure. Of course, in neither case is it a subsidy by the producers involved because what the producers are getting is a firm seven-year assurance as to the floor, which seems to me to be extremely good business for them in return for some limit at the ceiling now when prices are at record level.

Mr. Gleave: Mr. Speaker, I do not want to offend the rules of the House by entering into a debate, but I respectfully suggest that the actions of the minister come close to causing me to do so in that he has refused to make a statement to the House as to policy. As a final supplementary I would ask the minister when the government is going to be able to assure the House that in protecting the interests of the consumer it is not merely tying the producer down to a price that will assure excess profits for the manufacturers and processors of Durum wheat.

Mr. Speaker: The right hon. member for Prince Albert.

Oral Questions

DOMESTIC WHEAT—SUBSIDY TO MILLERS—EFFECT ON WESTERN FARMERS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, since the House has had a variety of explanations from the minister concerning this matter I should like to find out whether or not this is the final one. Three weeks ago it was stated that there was a reduction in the subsidy to millers from $1.04 a bushel to $1. The next step was an increase from $1 to $1.25 and then it went up to $1.75. Now we have a revised version, not given in parliament but in Regina or Winnipeg. Would the minister say whether or not under this latest plan the farmers of western Canada will actually be subsidizing consumers to the extent of 72 cents a bushel?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the latest world price for wheat that I know of is $5.62 a bushel, so there is no relationship between the hon. member's figure and any other. The policy of the government has been to try to work toward orderly marketing of both domestic and international grain. I know that at least some of the colleagues of the right hon. gentleman would agree that if we could get a $3.25 to $5 international grains arrangement we would be doing very well indeed and the producers would be very happy with that. The government has introduced this form of price level for a seven-year period for domestic wheat, that 10 per cent or so over which we have some control. At the same time, because of the rapid recent rise in prices and the importance of bread in the diet, we have introduced a consumer subsidy which will be in the order of about $100 million.

Mr. Diefenbaker: Mr. Speaker, the simplicity of the question required a simple answer. Is it not a fact that under the revised scheme, which is a revision of a revision of a revision, the western farmer will be taken for a ride to the extent of subsidizing every bushel of wheat used in Canada for flour to the tune of 72 cents?

Mr. Lang: Mr. Speaker, the answer is no; the right hon. gentleman is entirely incorrect.

Mr. Diefenbaker: A further supplementary, Mr. Speaker.

Mr. Speaker: The Chair will recognize the right hon. gentleman and then I would hope to recognize the hon. member for Cape Breton-The Sydneys.

Mr. Diefenbaker: Mr. Speaker, if I am wrong I want to be corrected, but I want the truth, not the antithesis of the truth. What is the reduction in amount that each and every farmer will receive per bushel for wheat consumed in Canada under the revised version that has now been produced? I want to know how many cents per bushel. Is that too difficult?

Mr. Lang: Mr. Speaker, I should like to remind the right hon. gentleman that the floor of $3.25 is about $1.25 higher than the best average price ever received for wheat by the Canadian Wheat Board.

Mr. Nielsen: Answer the question.

[Mr. Speaker.]

Mr. Lang: This will offer very significant protection to producers, to such an extent that the Canadian Wheat Board has preferred this protection for seven years rather than five.

Mr. Diefenbaker: The statement of the minister is completely misleading.

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CANADIAN COASTGUARD

REQUEST FOR RECONSIDERATION OF PROPOSED TRANSFER OF COLLEGE FROM CAPE BRETON

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Transport. In view of the fact that negotiations between the Canadian Coastguard College and St. Francis Xavier University over the past two years have led to approval in principle of the establishment of a degree in navigational science, is the minister reconsidering the transfer of the Coastguard College academic programs from Cape Breton?

• (1430)

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, we have different proposals before us which we are studying now, but in none of those proposals will the Coastguard College at Sydney be degraded in one way or another in terms of numbers or quality of teaching.

Mr. Muir: This is an old song up to the present time, but time will tell. Has the minister indicated when he will be available to meet the delegation from Cape Breton on the retention and expansion of the Coastguard College on Cape Breton Island and, if so, on what date will such meeting take place?

Mr. Speaker: Order, please. Perhaps the minister might reply briefly to the question. The hon. member for Cape Breton-The Sydneys will, I am sure, appreciate that the question is hardly in order but, the question having been asked, the minister should be given an opportunity to reply.

Mr. Marchand (Langelier): I will check my agenda and tell the hon. member tomorrow.

Mr. Muir: I rise on a point of order. I hesitate to disagree with you, Mr. Speaker, because you are generally right, but I think it is most important that we in Cape Breton know whether the minister is willing to give us a few moments of his time in which to plead our case as he is trying to remove the Coastguard College from Cape Breton Island to possibly Ottawa or Cornwall.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. If the minister will not hear the hon. member, I will listen to him.

[*Translation*]

HOUSING

SUPPLYING OF INFORMATION TO QUEBEC MUNICIPALITIES ON AMENDEMENTS TO ACT

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs.

Can the minister tell the House whether the enactment of Bill C-133 has benefited Canadians? Could he indicate at the same time if Quebec municipalities have been provided with information on how to take advantage of that new legislation?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the answer to the last part is yes. There have been consultations and discussions with the Quebec Housing Corporation and we trust through them with the municipalities involved. Also, there is a distribution of material on the amendments to the National Housing Act in Bill C-133 that is available and has been sent to municipal leaders, housing group leaders and others. The extent they have been taken advantage of would depend on the particular program involved. As the Prime Minister has indicated, at this point we are disappointed at the reaction we have had from the provinces to the land assembly provisions. On the other hand, we are anxious that the assisted home ownership provisions be used as widely as possible, not only in Quebec.

[*Translation*]

CONSTRUCTION OF COMMUNITY PROJECTS—POSSIBILITY OF ASSISTANCE TO MUNICIPALITIES BY DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

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

Can the minister indicate whether the municipalities which will benefit from that new legislation will be entitled to assistance from the Department of Regional Economic Expansion for the implementation of those community programs?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, municipalities can take advantage of the land assembly provisions, the neighbourhood improvement provisions, the repair and rehabilitation provisions. I hope that municipal leaders, not only in Quebec but throughout Canada, will take notice of these provisions and use them as effectively as they can.

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ENERGY

OIL—PROPOSED EXTENSION OF PIPELINE TO MONTREAL—ACCESS TO QUEBEC MARKET FOR OIL DISCOVERED OFF ATLANTIC COAST

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources who has said he will review the position with regard to a pipeline to Montreal if the government of Quebec can negotiate an assured supply of crude oil for the Quebec market. In this policy of the minister's what provision is there for access to the Quebec market for any oil discovered off the Atlantic coast?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, one of the best assurances we could have, in view of the problem of insecurity in eastern Canada—

Mr. Stanfield: That is not my question.

Mr. Macdonald (Rosedale): —would be to discover a substantial supply of economic oil off the east coast. Of course, until such a find is made this remains a hypothetical question.

Mr. Stanfield: In view of the insistence of the minister that the government of Quebec negotiate an assured supply, which presumably involves a firm contract over a significant period of time in the future, to avoid a pipeline, what provision is there in the minister's policy for any access to the Quebec market for oil discovered off the Atlantic coast?

Mr. Macdonald (Rosedale): As soon as there is any oil off the Atlantic coast worthy of any consideration we would, of course, make arrangements for that in the policy, but, as the hon. member knows, at the moment there is no commercial find there that can be exploited and we do not know how many years away we are from such a find.

Mr. Stanfield: I have one other supplementary question. What assurance is the government prepared to give to any company that would build a pipeline from Toronto to Montreal with regard to continued access to half the Quebec market? What is there in the present policy of the government to assure the pipeline builder of half the market regardless of what oil may be discovered off the Atlantic coast?

Mr. Macdonald (Rosedale): There is a range of assurances that could be given and it is a matter of negotiation. Among others, there is the requirement that a specific degree of throughput be refined there. The exact terms would be a matter of negotiation between the government and whatever consortium would happen to build the pipeline.

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VETERANS AFFAIRS

INQUIRY AS TO INCREASES IN WAR VETERANS ALLOWANCES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. In view of the fact that there are to be increases in old age pensions and family allowances next month, and in view of the minister's statement that the government will treat veterans with fairness, may I ask if the minister is now in a position to indicate precisely what steps the government will take, having in mind in particular veterans who are on the war veterans allowance?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): As I indicated to the House last week, the government is in the process of taking the necessary steps, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Is the minister now in a position to state definitely whether it is proposed by order in council to raise the ceiling on permissible income under the War Veterans Allowance Act or whether there will be some other adjustment in the amount being paid to war veterans allowance recipients?

Mr. MacDonald (Cardigan): Mr. Speaker, I would prefer not to announce government policy until it is government policy.

Some hon. Members: Oh, Oh!

Mr. Knowles (Winnipeg North Centre): Will the minister make an announcement in time so that any improvements for the war veterans can be effective in October, as they will be for the other groups to which I have already referred?

Mr. MacDonald (Cardigan): I hope to be able to make an announcement in sufficient time.

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FOOD PRICES

USE OF RESEARCHERS BY REVIEW BOARD—STATEMENT BY CHAIRMAN ALLEGING NO GOUGING

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs may I direct my question to the right hon. Prime Minister. It is reported that the Food Prices Review Board is sending out some 80 researchers today to gather the facts on rising food prices. Would the Prime Minister tell the House on what evidence or research the chairman of the Food Prices Review Board has been saying over the last month or so that there has not been any price gouging in food?

Right Hon P. E. Turdeau (Prime Minister): I will have to inquire, Mr. Speaker.

Mr. Speaker: The Chair will recognize the hon. member on a supplementary question, but the Chair has considerable doubt about the procedural acceptibility of the question. The hon. member will be recognized for a supplementary, following which the Chair will recognize the hon. member for Qu'Appelle-Moose Mountain.

Mr. Darling: My question is to the right hon. Prime Minister. As a member of the Special Committee on Food Prices I listened for four hours last Thursday and—

Mr. Speaker: Order, please. Will the hon. member kindly resume his seat. The hon. member should not forget that when I seek the floor the hon. member should give me an opportunity to indicate why I have risen. The hon. member was recognized for the purpose of asking a supplementary question. Perhaps he should do so now.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Darling: Would the Prime Minister tell the House whether any thorough or direct research on food prices has been done in the last several months by the board or by the department and, if so, when can we expect this research to be made public?

● (1440)

Mr. Trudeau: Mr. Speaker, the department is researching into this kind of matter on a constant basis. So far as the board is concerned, I will have to inquire.

Mr. Speaker: Order, please. The hon. member for Qu'Appelle-Moose Mountain has been seeking the floor for some time to ask a supplementary. He will be recognized at this time.

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ENERGY

PROPOSED EXTENSION OF OIL PIPELINE TO MONTREAL—DISCUSSION WITH ALBERTA

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question relates to the question on the Montreal pipeline I asked last Tuesday. It is directed to the Minister of Energy, Mines and Resources. In view of the fact that with respect to his answer of last Tuesday he has been caught out so far as the province of Quebec is concerned, has he had any discussion with the province of Alberta and approval by that province to make this policy work?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am anticipating a meeting with the Alberta representatives this week. We have had discussions in general terms following the energy analysis and I have spoken to my counterpart on the telephone about it. We will be discussing it further this coming week.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I have a supplementary, Mr. Speaker. Has the minister suggested to the provincial energy ministers that, before any more fluffs are made by these rapid announcements of the Prime Minister without being properly prepared by the minister, he would like to meet with them to try to get a basis for a national oil and gas policy established before any more goofs like this are made?

Mr. Macdonald (Rosedale): Mr. Speaker, without accepting the description of the hon. gentleman, I would say there has been very continuous consultation, particularly with Alberta, on these questions. I will look forward to seeing them again this week. I am not sure whether a general conference would be the best way to arrive at a co-ordinated policy.

FOOD PRICES

COST OF RESEARCH BY REVIEW BOARD

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my supplementary question to the Prime Minister is related to Mrs. Plumptre's announcement, after the food prices committee met the other day, of research into food prices. In view of the fact the House has had no estimate given to it of the annual cost of the Food Prices Review Board, in view of the fact that it must have been a government decision to send out these researchers, and in view of the fact that Mrs. Plumptre announced that it is an expensive operation, can the Prime Minister tell the House today what the estimated cost of this latest research project of the Food Prices Review Board is?

Mr. Speaker: Order, please. The hon. member is seeking the kind of information that is normally sought by a written question on the order paper.

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CAPE BRETON DEVELOPMENT CORPORATION

SUGGESTED PROSECUTION OF PRESIDENT FOR ALLEGED FAILURE TO FOLLOW LAW

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, in the absence of the Minister of Regional Economic Expansion I have a question for the Prime Minister. In view of the prosecution of railway workers now under way for disobeying a statute, will the government follow the same procedure under the same section of the Criminal Code and charge Tom Kent, the President of the Cape Breton Development Corporation, under the same section of that act?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am going to take that question as notice.

Mr. MacInnis (Cape Breton-East Richmond): I rise on a question of privilege, Mr. Speaker. There is absolutely no need for the minister to take the question as notice. He already has the documentary proof in his hands provided by Mr. Kent himself as late as June of this year. The minister of Regional Economic Expansion knows all about it and the Minister of Transport is also aware that the legislation has not been carried out as passed by the House in 1967. Two committees of parliament have supported my contention in this regard. I will lay charges against Tom Kent if the government has the guts to do to Tom Kent what it is doing to the railway workers.

Some hon. Members: Hear, hear!

Mr. Speaker: The Chair will recognize the hon. member for Yorkton-Melville and then the hon. member for Charlevoix.

AGRICULTURE

BEEF—POSSIBLE TERMINATION OF EXPORT CONTROLS IN LIGHT OF LIFTING OF PRICE CONTROL BY PRESIDENT NIXON

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in the absence of the Minister of Agriculture and the Minister of Industry, Trade and Commerce I shall direct my question to the Prime Minister. In view of the fact the President of the United States has lifted price controls on beef, is the Prime Minister considering terminating the controls on the export of Canadian beef to the United States at this time or within the next couple of days?

Right Hon. P. E. Trudeau (Prime Minister): We have this under consideration, Mr. Speaker.

Mr. Nystrom: In view of the fact the Minister of Agriculture intimated in the House that as soon as price controls in the United States were lifted export controls in this country would be terminated, will the Prime Minister be making an announcement this week so that Canadian producers will not suffer?

Mr. Trudeau: That is exactly the matter I said was under consideration.

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[*Translation*]

ENERGY

PROPOSED EXTENSION OF OIL PIPELINE TO MONTREAL—EFFECTS ON PROPOSED SUPERTANKER PORT AND PETROCHEMICAL INDUSTRY IN QUEBEC

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister.

Considering that the answers concerning the construction of a pipeline for the province of Quebec seem much more unspecific and hesitant today than last week, is the right hon. Prime Minister aware that the representations made by Quebec are mostly due to the fact that the political program of the Quebec Liberal party was in fact based on the construction of a superport for tankers and the development of the petrochemical industry?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not agree that we are going back on what we said previously. If the hon. member will just look at my statement in last week's *Hansard*, he will note that at the very beginning of my announcement concerning the pipeline, I said that the government would soon need to have consultations about this matter with representatives from the provinces and the industry.

Oral Questions

[*English*]

GRAIN

SHORTAGE OF FEED GRAIN ON VANCOUVER ISLAND—EMERGENCY PLANS IN LIGHT OF CONTINUING STRIKE BY SOME RAILWAY WORKERS

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Labour. In view of the continuing rail strike in British Columbia, has the government any emergency plans to get feed grain to Vancouver Island to solve the very serious problems of the poultry and dairy industry in that area?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, as the hon. member may be aware, the only hold-out situation is in the city of Vancouver proper and certainly not in British Columbia generally by any means. Prince Rupert is open, and I am hopeful that by the time this day is over the situation in Vancouver may be clarified. In that sense the hon. member's question may, hopefully, be premature.

SHORTAGE OF FEED GRAIN ON VANCOUVER ISLAND—REQUEST THAT EXPORT SUPPLIES BE MADE AVAILABLE AT DOMESTIC PRICES

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a supplementary question for the Minister in charge of the Wheat Board. In view of the fact there is already feed grain on Vancouver Island meant for export, will the minister give the Wheat Board a directive to sell this feed grain already on Vancouver Island at domestic prices instead of export prices in order to solve the very serious problem of the poultry and dairy industries?

Hon. Otto E. Lang (Minister of Justice): I will not purport to give the Canadian Wheat Board such a directive. It has already on its own initiative been making grain available which had been intended for export and holding it where it seemed that it was needed for the domestic situation, but of course it has to protect the grain producers as well in terms of the prices it charges.

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ENERGY

PROPOSED EXTENSION OF OIL PIPELINE TO MONTREAL

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is to the Prime Minister and is supplementary to a previous question. In view of the government's constant refusal even to consider the building of a Toronto-Montreal pipeline for several years and right up to the present time, is not the reason for the present change in policy solely to try to get NDP support for its non-policy in fighting inflation?

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

[Mr. Trudeau.]

VETERANS AFFAIRS

VICTORIA, B.C.—POSSIBLE TRANSFER OF HOSPITAL FROM FEDERAL AUTHORITY—REQUEST FOR CONSIDERATION OF VIEWS OF VETERANS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Veterans Affairs. Since the veterans in my constituency are disturbed by persistent rumours that the veterans hospital in Victoria is to be transferred to provincial and regional authority, can the minister reassure the House and the veterans of Victoria that the views of the rank and file veterans and patients will be given first consideration before a final decision is made?

Mr. Speaker: Order, please. I suggest to the hon. member that normally a question such as this should be on the order paper or considered at the time of adjournment. If there is an answer which the minister can give quickly he will be recognized for that purpose.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I should like to assure the hon. member that before any contract is signed with the municipality or otherwise that the guaranteeing of the veterans' well-being will be looked after.

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HOUSING

PREVENTION OF RENT INCREASES FOLLOWING INCREASES IN OLD AGE SECURITY AND GUARANTEED INCOME SUPPLEMENT PAYMENTS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. Has the minister, following the increases in OAS and GIS payments, developed measures, either independently or in co-operation with the provinces, to contain and discourage rent increases in order to protect the recipients of these pensions from having their slight increases appropriated by landlords, which has happened often in the past? If so, will these measures be made public soon?

● (1450)

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, in respect of those properties owned by CMHC there has been a rent freeze in effect since early this year. In respect of those under the control of the provincial housing authorities, in which we bear part of the cost of any rental subsidy, most have been under a freeze for quite some time. Having regard to those that are privately owned, of course we have no direct authority over them and any control would rest with the provinces.

INQUIRY AS TO REPORT ON ALLEGED IRREGULARITIES IN FINANCING OF STUDENT CO-OPERATIVE HOUSING

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. Would he advise the House whether his inquiry into alleged irregularities in respect of the financing of student

co-operative housing is complete and, if so, is he now in a position to make the results available to the House?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I expect to receive that report this month.

TREFANN COURT URBAN RENEWAL, TORONTO—SCOPE OF GRANT FOR SECOND PHASE

Hon. Paul Hellyer (Trinity): I have a supplementary question, Mr. Speaker. Does the announcement of a $2.1 million grant toward the second phase of the Trefann Court urban renewal eliminate the rehabilitation of existing housing as alleged, and did the approval include all or any part of the financing applied for by Trefann Court Homes Corporation?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the answer to the latter part of the question is no. The Trefann Court Homes Corporation application for, I think it is some 16 units of housing, is a separate application, and approval of phase two has relation to urban renewal.

Mr. Speaker: Order, please. I would bring to the attention of hon. members that we have gone beyond the time allocated for questions. I had hoped to recognize two or three more questioners before moving to orders of the day, but if hon. members have many supplementaries I will have to call orders of the day.

Mr. Hellyer: Mr. Speaker, my supplementary question is really part of my previous supplementary which I think the minister overlooked. I asked whether or not the terms of the phase two renewal program really make adequate provision for rehabilitation of existing housing or whether in fact the proposal put forward by the government eliminates that possibility, as has been alleged in Toronto?

Mr. Basford: Mr. Speaker, phase two which has been approved does so. There are discussions with the province of Ontario now under way as to the application of the newly approved neighbourhood improvement proposals in respect of the Trefann Court area, so that the rehabilitation sections, by which grants and loans of up to $5,000 can be made, would apply in the Trefann Court area under the newly passed legislation. It is that course I hope will be pursued. I will be meeting with the Trefann Court people this evening, I believe, to discuss the possible application of these provisions to that area.

Mr. Speaker: The Chair will recognize the hon. member for Yukon, following which, as I am sure hon. members would be anxious to proceed with the motion to be discussed today, I will call orders of the day.

Oral Questions

NORTHERN AFFAIRS

APPROPRIATION BY UNITED STATES OF FUNDS FOR PAVING HAINES-HAINES JUNCTION LINK AND ALASKA HIGHWAY TO TERMINATION IN CANADA

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. I would ask whether he is aware of any legislation which has been passed by the Senate of the United States to appropriate some $58 million for paving of the road link between Haines in the State of Alaska and Haines Junction in Canada and on up from Haines Junction to the termination of the Alaska highway in Canada? If he does have such knowledge, will he tell the House whether the Canadian government is now negotiating or intends to negotiate with the government of the United States in respect of the expenditure of these funds on the construction to be undertaken on these highways?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are aware of the steps undertaken by Congress but, according to the reports I have been given, the position of the United States is not yet final; as soon as that country is willing to negotiate with Canada in this regard, we will be happy to discuss the matter with them.

[*English*]

Mr. Speaker: Orders of the day.

Mr. McKinley: Mr. Speaker, I rise on a point of order. Generally speaking, when questions are asked in the House about wheat and the production of wheat they are asked on behalf of the three prairie provinces where, as we know, there is a great deal of wheat produced. Many of us also know that there is a great deal of wheat produced in the province of Ontario which has an Ontario Wheat Producers Marketing Board. I would like to solicit an answer from the minister in charge of the Wheat Board to my question which I direct to this minister as the Minister of Agriculture is absent today. Does the same offer—

Mr. Speaker: Order, please.

Mr. McKinley: I will be finished in a minute, Mr. Speaker.

Mr. Speaker: Would the hon. member kindly indicate his point of order? The hon. member is now doing what hon. members try to do from time to time. After the question period hon. members rise on so-called points of order for the purpose of asking questions they would like to have asked during the question period. I appreciate that the hon. member for Huron feels he should ask an important question, but the hon. member for Hamilton-Wentworth and other hon. members who were anxious to ask questions are in exactly the same position. I regret very much that the hon. member is in that position, but I suggest to him that this is not a point of order. If he will indicate what his point of order is I will make a ruling.

Mr. McKinley: I would simply like to find out, and if I have to rise on points of order in order to stand and speak for the Ontario wheat producers I intend to do so, whether

Ontario producers are to receive the same offer, and has a deal been made with the Ontario Wheat Producers' Marketing Board?

Mr. Speaker: I will make my ruling that this is not a point of order and call orders of the day.

Mr. Hellyer: The minister said "yes". He nodded his head.;

Mr. Bell: Let the record show that the minister said "yes".

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58(9)—NON-CONFIDENCE MOTION—ALLEGED FAILURE OF GOVERNMENT TO ADOPT MEASURES TO COMBAT INCREASED COST OF LIVING

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

That this House has no confidence in the adequacy of government measures to deal with the cost of living as such measures were announced to the House by the Prime Minister on September 4th, 1973.

He said: Mr. Speaker, within minutes of notice of this motion being presented on Friday, we all learned that today was not destined to be an exactly suspenseful day because of the Leader of the NDP indicated his party would continue to support the government.

Some hon. Members: Shame.

Mr. Stanfield: Notwithstanding the non-shock of that information, I trust that our motion will provoke a stimulating day, and I am confident that such continued enlightenment will lead us shortly either to renewed suspense or the necessity of a formal coalition.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Stanfield: Mr. Speaker, I am anxious to hear the comments the Minister of Finance (Mr. Turner) will make later in the day. If he is logical and maintains his most recent attitude, he could easily support our motion. Naturally, I do not expect him to do so but, in default of being enlightened, we may perhaps be amused by new acrobatic feats, turn-abouts, contorsions and pirouettes.

Just over a month ago, the minister called the press to explain that he had erred once again, this time in predicting the amount of tax income and, consequently, the deficit. The good news, on that occasion, was that, thanks to his errors in calculations, he would have less to borrow to make up the deficit and, as a result, this would have a salutary effect on rates of interest and inflation. In addition, he informed the press that he had asked his colleagues to put a brake on their departmental expenditures, that being the best way of fighting inflation. The impression was, Mr. Speaker, that his colleagues would treat his recommendation exactly as they have his previous ones.

[*English*]

The minister maintained his average of being partly right and mostly wrong most of the time.

• (1500)

Some hon. Members: Hear, hear!

Mr. Stanfield: Then, he left for what I am sure was a well-deserved rest and recuperation shortly after, leaving behind him a deficit reduced by some $500 million in expenditures as a result of increased tax revenues and leaving the government in what he called "the right posture", which was that of exercising restraint in government expenditures. Alas, the minister hardly had time to get out of his clothes and into his bathing suit when his policy became unstuck. As a result of an unrelenting and highly visible increase in consumer prices, and as a result of highly vocal public protest, the minister's colleagues in Ottawa abandoned the minister's posture and rejected his advice. From then until now, the duties and responsibilities of the Minister of Finance (Mr. Turner) seemingly have passed from his hands to those of his master economist, the Prime Minister (Mr. Trudeau). We all recall how he conquered inflation for one day only a few years ago.

Of course, in tandem with the Prime Minister is that father of organic union, the Minister of Justice (Mr. Lang). It is doubtful that the advice and the person of the Minister of Finance would have been abandoned were it not for the fact that it was becoming very clear that parliament would have to be summoned to resolve still another crisis of mismanagement. Otherwise, there would have been no hurry. But because of the rail strike and the need to call parliament, there was not only the need to do something, there was a need to do something in a hurry. As a result we got that makeshift, hodgepodge of measures proclaimed by the Prime Minister last Tuesday.

Some hon. Members: Hear, hear!

Mr. Stanfield: The subsidy on wheat for domestic milling, having been reduced in July, was raised by the Prime Minister and I understand has been changed several times since then. Increases in family allowances promised for the future were brought into effect rather quickly and the quarterly adjustments to old age pensions, which were said to be impossible to implement by the minister concerned, were in fact brought into effect. Never mind that the measure with respect to wheat and bread prices would, it was said less than a month ago, create a frenzy of speculation and fluctuation in grain markets.

The prize-winning reversal by the Prime Minister last Tuesday was the announced intention to carry western crude into Montreal through western pipelines extended from Toronto. What this government had determined not to do, that is not to build that pipeline,—on Tuesday they determined to do—perhaps. But, it would be a very foolish man who would invest in any decision by this government in the belief that such a decision would last.

Some hon. Members: Hear, hear!

Mr. Stanfield: Obviously, any decision of this government has approximately the same life span as a gnat. But whether this policy stays or goes, or whether it is repudiated and returned again in the days and weeks ahead, that particular decision does stand as a permanent monument to this government's bogglement in reacting to the present crisis on the one hand, and to this government's contempt for the rightful interest of the provinces on the other hand. Because of this government's previous opposition to such a proposal to build a pipeline to Montreal, this latest turnabout caused alarm and resentment in many other provinces. There was no previous consultation, despite what they may suggest, which indicates not only this government's indifference and disdain for the interests of the provinces, as I have said, but it also indicates that this decision was made, as has become the custom of those gentlemen opposite, off-the-cuff and in an atmosphere of political expediency.

Some hon. Members: Hear, hear!

Mr. Stanfield: We certainly need a national energy policy in this country, but the reason for this new energy policy escapes me, unless it was indeed for some political reason related to the government's very keen self-interest in survival. Surely, Sir, this reversal in decision could have been the subject of consultation with the provinces. But this reversal and this decision does tell us what many of us have already suspected, that the recent government conference with the western provinces was meant simply as a short-term public relations measure. If anything could have been learned from that conference, even by those as slow to grasp matters as members of this government, the lesson was that the western provinces would expect, as a matter of right, to be associated with and partners in the making of decisions on national policy where those decisions had a direct bearing on the affairs of those provinces.

Some hon. Members: Hear, hear!

Mr. Stanfield: Gall is not exactly a polite word, Mr. Speaker, but I have not been able to think of a better one. I have long been impressed by the gall of some of those opposite on the front benches. But I thought the Minister of Energy, Mines and Resources (Mr. Macdonald) exceeded himself recently, and that is saying something, with his statement that the provinces of Quebec, Nova Scotia and Newfoundland had failed to consult the federal government adequately with respect to their own oil refinery projects.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Stanfield: As far as Newfoundland is concerned, Mr. Speaker, the federal government presence there has been constant.

In the case of Nova Scotia, the federal government has shown itself to be a determined partner in its development.

As for Quebec, the projects of that province have been discussed openly for months. Therefore, this accusation of inadequate consultation would rather turn itself back against the minister himself and the Prime Minister (Mr. Trudeau) who have given Quebec a half hour's notice of the reversal and change of the federal energy policy, and as far as we know, have not advised at all either Alberta or the other provinces concerned.

[*English*]

But the country ought not to be distracted by this spectacular example of federalism by fiat. We ought to observe the massive, total arrogance but above all we must continue to focus upon the substantive issue. What has all this reaction by this government accomplished?

An hon. Member: Zero.

Mr. Stanfield: Mr. Speaker, just consider what the Prime Minister did not say last Tuesday. He did not observe that the country is to endure another round of wage increases, work stoppages and strikes and increased pressure on costs and prices. No one could disparage the efforts of those who have the bargaining power to do so for making an effort to keep afloat on this rising tide of uncontrolled inflation. No one could blame anyone for taking whatever refuge he can from an uncontrolled and unchecked period of rising prices and a gutless government determined only to ride out the storm.

Some hon. Members: Hear, hear!

Mr. Stanfield: But there are those in Canada who have no powerful trade union or trade association, who have no levers to pull, who have no means of adjusting their incomes to meet the demands of increased prices and rates of interest. They are the great majority of working Canadians and their families.

Mr. Speaker, this government is not kept here by public confidence; they are not maintained in office by faith and trust in their policies. They are not kept here because events have proven them right in their judgment and in their management of the country's affairs. They are kept here, Sir, for the political convenience of a group of members in this House. As long as they are here, the members of this government will keep improvising policies of political convenience. And the real losers, Sir,—

• (1510)

An hon. Member: Are the Conservatives.

Mr. Stanfield: The real losers are not the members of my party who may lose motions of confidence from time to time. The real losers are the Canadian people of ordinary means, because the ordinary Canadian cannot ride things out, Sir. This is a tragic situation, all the more tragic because there is an alternative.

I have spoken many times on the serious and dangerous growth of inflationary psychology in Canada. Nothing fuels and feeds such a psychology so much as the posture of a government that nothing can be done or, on the basis of recent events, that very little can be done. Our fundamental concern from the outset has related to the danger of inflationary psychology taking deep hold and spreading rapidly throughout the country. This, Sir, is not simply an economic condition that can be approached with computers, slide rules and mathematical equations. Inflationary psychology is a social problem. I hesitate to call it a social disease, because that term has another generally accepted

meaning. However, in a very real sense inflationary psychology behaves like a disease.

When you are faced with an epidemic of a contagious disease, you do not just fiddle around with selective innoculation. Certainly, you give treatment to those already hit by the effects of the disease, and we have recommended support measures to do this. We continue to support these. But you must also make a massive public assault on halting the spread of the disease. Nobody likes to be given needles. I know that and have always conceded that a great deal of public support would be necessary for the implementation of a comprehensive program of price and income restraints. As the danger of inflation psychology mounts, however, I believe that more and more Canadians are now in a frame of mind to give that support and receive the needle, and join in a program to restore the economic health of this country. Initiating such a program is something that the government has not done and shows no intention of doing.

Sir, why are so many industrialized countries resorting to programs of price and income restraint. Why have they been doing so for some time with varying degrees of success? Why are they doing so if traditional trade-off and counter-cyclical approaches to economic policy are still appropriate and, above all, still sufficient? Surely, these other countries have adopted these programs in an endeavour to achieve at least some stability in their economies. They recognize that the traditional approaches have given us the boom-bust cycle over and over again, with each boom bringing worse inflation than the one previous and each bust bringing worse unemployment. In boom times, what good is a five-figure salary when it is eroded by two-figure inflation. And that is where we are rapidly moving today, Sir, to a two-figure inflation.

Mr. Nielsen: I see the Prime Minister (Mr. Trudeau), is nearly asleep. He is bored.

Mr. Trudeau: You are not looking too lively yourself.

Mr. Stanfield: We are into another spiral now in Canada. What has been the government's response in 1973, as it remains locked into this traditional approach? The government's response has been to increase taxes on those companies producing food, on those companies transporting food and on those companies selling food. This, of course, increases the price to anybody buying food. The government's response has been to push mortgage rates on homes to over 10 per cent. You look at that kind of policy and conclude that we could well change the title of the Minister of Finance to minister of flat earth and other absurdities.

Some hon. Members: Hear, hear!

Mr. Stanfield: How can anybody seriously consider the policies of our Minister of Finance and say to all those other countries, "You are all out of step but our John."

Now, we have the International Monetary Fund, in its annual report released yesterday, urging nations who are cooling off their economies through the use of their federal budgets and control of money and credit to supplement these anti-inflation tools with price and income controls. I wish to take a minute to read from their report.

[Mr. Stanfield.]

After emphasizing the difficulties of controlling inflation, at page 6 the report reads:

—In any case there seems to be a growing belief that the task of dealing effectively with inflation will require national governments to use a wide range of policy instruments—to buttress fiscal and monetary policies with other policy measures, such as incomes (including prices) policy, regional policies, manpower policies, and the like, depending on the particular circumstances. Such a viewpoint reflects (a) the disappointing experience that many countries had in relying solely on fiscal and monetary policies to handle the problem of inflation in the past several years and (b) an increasing recognition that the problem may stem, at least in part, from specific features of the economic structure or economic process not clearly related to the level of aggregate demand. Many countries have in particular been making use of incomes policy as a supplement to the instruments of demand management; this seems generally sensible and appropriate since it provides a possible way for countries to achieve a better reconciliation of their aims with respect to resource utilization and price stability than otherwise would be realized.

I believe that our Minister of Finance was going to attend a meeting of the International Monetary Fund in order to provide some leadership.

The fund report then goes on to say, and it is nice to see a factual appraisal of this for a change, that the United States decision to drop mandatory controls too early in the game was a mistake. I have expressed the same opinion for some months and indicated that we could learn something from the United States experience.

The slogan mongers who are in the apology business have invented a phrase about "the disastrous U.S. experience". They have vigorously peddled this questionable gem as a rationale for inaction. The principle seems to be: If your argument is to throw out the baby with the bath water, then it is certainly better not to bathe the baby at all.

Sir, there are some who honestly do not understand what we have been proposing and there are others who have chosen not to understand what we have been proposing. There are some, even, who have chosen to misrepresent what we have been saying.

An hon. Member: Are you listening, little David?

Mr. Stanfield: I will take a few moments to review the essence of our approach.

• (1520)

First, let there be no misunderstanding. We have never represented a so-called freeze as the be-all and end-all, no more than a dentist would represent the freezing of a tooth as the treatment. Those who suggest we are presenting a freeze as a policy to combat inflation are misrepresenting our position.

Our position is to put into place an economic stabilization plan incorporating for a temporary period strict mandatory controls of prices and incomes. The time we envisage for such strict temporary controls is in the order of 18 months to two years.

Mr. Trudeau: Including food.

Mr. Stanfield: I am glad the Prime Minister (Mr. Trudeau) finally woke up. If he wants advice on this subject, I

will be glad to give it to him. However, I have very little time and I would like to finish.

In order to put such a program into effect, a short-term freeze on prices and all forms of income is needed at the outset. This is a period for consultation, for setting the range and limits for the controls period and for putting the necessary monitoring and enforcement agencies into place. It is a preparation and stage-setting period. The freeze period should be as short as possible.

Mr. Trudeau: Except at the farm.

Mr. Stanfield: I always made it clear that we do not include the price at the farm.

Some hon. Members: Oh, oh!

Mr. Stanfield: I am glad to find members opposite are now listening to us. Perhaps they will now look at what we have been saying. We have talked about 90 days because we feel that must be the maximum time taken in this preparatory stage.

Mr. Trudeau: Except at the farm.

Mr. Stanfield: We would certainly want to see it as short as 30 days if that could be done, but we have used 90 days as an outside figure, one which we believe could be fulfilled.

Mr. Trudeau: Except on food prices.

Mr. Stanfield: Except, as I have always said, food at the farm gate. The Prime Minister would know that if he paid attention to what I say. I am on a strictly limited time. I wish to emphasize that we have never put our position forward as any kind of a magic wand, any more than the international monetary fund put it forward as a magic wand. We have never said it would completely halt inflation and we have never denied the international aspects of the problem. We simply say that a comprehensive program is the fairest, would command support and would do better in the long run than ad hoc policies of relief patched onto a traditional approach of tight money and economic slowdown.

Some hon. Members: Hear, hear!

Mr. Stanfield: Our program envisages, and indeed presumes, judiciously balanced monetary and fiscal policies. It presumes exemplary self-restraint on the part of the government and governments generally in relation to their own spending and aggrandizement.

Mr. Turner (Ottawa-Carleton): How about the $4 billion deficit?

Mr. Stanfield: It is nice to see the Minister of Finance awake. I hope he is going to defend his budget today because he presented it.

Some hon. Members: Hear, hear!

Mr. Stanfield: Our approach presumes additional measures to increase the supply and availability of goods and services that are in tight demand.

Mr. Trudeau: Like we have done.

Mr. Stanfield: No, Mr. Speaker, not like they have done.

Mr. Trudeau: Let's hear about it.

Mr. Stanfield: It presumes other actions to take the heat off wage and salary earners, particularly those on low income, so they can escape the vicious circle of trying to keep up with inflation. Steps to take this heat off have always included my plan for the indexing of the personal income tax system, a plan that will be proclaimed into law any day now, thanks to the conversion of the Minister of Finance following a not too successful election campaign.

Some hon. Members: Hear, hear!

Mr. Stanfield: In the same vein, removal of the 11 per cent federal sales tax on building materials would take some of the edge off the soaring cost of housing. Removal of the federal sales tax from all clothing, not just children's clothing, would also be a positive contribution to easing the inflationary pressures bearing down on wage and salary earners. A comprehensive initiative of this nature would go a long way toward cooling off the inflationary psychology that is on the rise in this country today.

Our plan does not require a massive new bureaucracy. Surely, most of the talents and resources that would be needed are already present in the federal public service. There is the Department of National Revenue and its local administrative and auditing staff, the Department of Agriculture's resources and experts, the skills and expertise within the Department of Consumer and Corporate Affairs, at least I assume they are there, and the analysis and computers in the Department of Finance. All that is missing is the will and determination to marshal these talents and resources in order to deal with this matter of very urgent and pressing necessity.

Some hon. Members: Hear, hear!

Mr. Stanfield: What the government offered through the Prime Minister's announcement last week was not a policy. It is a mutation of obsolete and discredited approaches to inflation, a mutation based on expediency and survival. It is a tactic, not a policy. It is a ruse rather than a plan. Therefore, since my time is up, I take pleasure in moving:

> That this House has no confidence in the adequacy of government measures to deal with the cost of living as such measures were announced to the House by the Prime Minister on September 4, 1973.

Some hon. Members: Hear, hear!

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to assure the Leader of the Opposition (Mr. Stanfield) he should not have felt constrained by time. Because of the importance of the subject matter, he was entitled to all the time he could muster in the House. If he ran out of energy and impetus, I can understand it, but the House would certainly have been willing to let him continue.

Some hon. Members: Hear, hear!

Cost of Living

Mr. Turner (Ottawa-Carleton): When the question was put to me by the hon. gentleman last week, I made it very clear that I very much welcome the opportunity, as I am sure the House does, to take part in a debate involving the state of our economy and the particular problem of inflation that confronts us.

May I say at the outset that I find it rather interesting, ironically, that the Conservative party should be condemning the adequacy of the new measures announced by the Prime Minister (Mr. Trudeau) last week to help deal with the problem of inflation, and at the same time supporting each and every measure as it comes in turn before the House.

Some hon. Members: Hear, hear!

• (1530)

Mr. Turner (Ottawa-Carleton): From the tenor of the hon. gentleman's speech this afternoon, it should be apparent that what the debate is all about at this stage is price and wage controls because that is clearly what the Conservative party has in mind for the country when it calls, as did the Leader of the Opposition last Tuesday, and today, for a comprehensive assault on inflation. I believe the new measures announced by the Prime Minister (Mr. Trudeau) further extend and reinforce the major thrust of the past two budgets. Those budgets were aimed at moderating the impact of the rising cost of living on the Canadian people, tackling the basic issue of inflation by increasing supply and at the same time stimulating strong and balanced growth of national output, of jobs, and of the real income of Canadians.

Because of the nature of the motion put forward by the Leader of the Opposition, I want to deal with the contageous problem of inflation, one which continues to be of great concern not only to those of us who live in Canada but to the citizens of every other industrial country in the western world. It can only be considered, however, against the perspective of the developing economic picture both here and abroad. Looking at the Canadian economy, first, in terms of national output, I think we are entitled to put before the House the fact that over the course of the past nine months the Canadian economy has grown at close to a record rate, in fact, at a rate which was obviously unsustainable. The moderation in the rate of the growth of national output during the second quarter of this year, as reported by Statistics Canada, last week better ensures continuing expansion in line with its long-term potential. Over the course of the first half of 1973 the economy has grown more quickly than at any time since 1966 with real national output expanding at a seasonally-adjusted annual rate of 9.2 per cent.

Let us turn, now, to the labour force. As a result of this rapid upsurge in economic growth, the number of new jobs created for Canadians during the first seven months of this year has increased by 411,000, a record rate of increase in employment and one which far surpasses that of any other industrial nation in the world. In July, the year-over-year rate of growth of employment in Canada was 31 per cent greater than in the United States.

Some hon. Members: Hear, hear!

[Mr. Turner (Ottawa-Carleton).]

Mr. Turner (Ottawa-Carleton): The substantial number of new job opportunities opened up as a result of sharp economic growth has also produced a record expansion in the size of the labour force, which in the first seven months of this year was up by 4.3 per cent as compared with the average in the same period a year ago. This rate of increase is almost 60 per cent above the average yearly rise between 1973 and 1975 projected by the Economic Council in its last annual review. The substantial expansion in employment has led to a sharp reduction in the number of Canadians without work. Indeed, in July the seasonally adjusted level of unemployment was down to 5.2 per cent and with respect to those without work seeking full-time jobs the rate was 4.8 per cent.

[*Translation*]

Obviously, unemployment at the level I just mentioned is still a subject of concern. However, to bring this problem down to fair proportions it should be recalled that today's unemployment rate would be appreciably lower without the extraordinarily high input of Canadians onto the labour market, input which far exceeds the rate which could be expected with the normal increase in the number of Canadians old enough to work.

It is to be hoped that the trend of the unemployment curve will be downward although monthly variations can be expected. Those variations are often caused partly by sharp and erratic changes in proportion to the movements of a mass of young people old enough to work and who join the labour market or leave it. We have had an example of this in July when for reasons still undetermined a substantial reduction in the proportion of young people from 14 to 24 belonging to the working population and the comparable reduction in the proportion of employed people occurred. In the statistics of the next few months some discrepancies may be expected due to the economic disruptions caused by the railway strikes combined with disputes within other major industries.

A shortage of certain categories of labour occurred in several regions of this country while the unemployment rate is still unsatisfactory in many low growth areas. A number of federal programs are still aimed at solving these chronic problems and mainly during the winter months. The government has already announced expenditure programs amounting to $100 million under a new local initiative program and a federal program providing for the employment of a large proportion of labour. Furthermore, $275 million are always available under the winter employment fund to help finance investment projects providing employment at the provincial and municipal levels.

[*English*]

I turn, now, to personal incomes, spending and savings. The strong growth of production and employment has brought about a substantial increase in the personal income received by Canadians and, in turn, a very large increase both in the amount of their spending on consumer goods and services and in the amount of their savings. By the second quarter of this year, personal disposable income, that is, the income available after payment of direct taxes, was up 13 per cent as compared with the level a year ago. Far more significant, however, is that the real increase in the income at the disposal of the average

Canadian to spend or save, the real increase, that is to say the amount available after taxes and after discounting the rate of inflation, was up by 6.7 per cent in the second quarter as compared with 1972, and over the whole of the first six months it was up by 6.2 per cent.

Mr. Forrestall: The land is strong!

Mr. Turner (Ottawa-Carleton): This very substantial increase is the result of a combination of factors: the significant reduction in personal income tax for which provision was made in the budget of last February, the large increase in the number of Canadians with well-paying jobs, and the growth of national productivity.

I recognize, of course, that not all Canadians have shared equally in this growth of national income. The measures before the House are aimed in particular at helping those who have not done as well because of the adverse impact of inflation. As I have said, one of the principal objects of the budget brought down in February was to help those who are not able to help themselves, either because they have left the work force, or because they are on welfare, or because they suffer from a disability over which they have no control, or for other reasons. It has consistently been the purpose of the government to minimize the effect of inflation in the lower and fixed income groups, those who are least able to defend themselves against the erosion of their purchasing power.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): However, in considering the economic situation generally, I believe I am entitled to put certain facts before the House for the consideration of hon. members, since it is critically important to understand and appreciate that despite the erosion of incomes, a process which particularly hurts those on lower and fixed incomes, the great majority of Canadians have experienced a further substantial improvement in their real standard of living over the past year. And this, as I say, despite the increase in the cost of goods and services.

Mr. Diefenbaker: Where have you been?

Mr. Turner (Ottawa-Carleton): It just happens to be the case.

[*Translation*]

During the second quarter of the year, the amount allotted by the Canadian people to the purchase of consumer goods and services exceeded by almost 14 per cent that of last year, for the same period, which, in view of rising prices, is still a real increase of 8.6 per cent.

Despite the strong increase in consumer expenditures, Canadians managed to save at an almost record rate of 8½ per cent on their available incomes after taxes.

Let us consider now, Mr. Speaker, our country's foreign trade. The strong growth of domestic demand for domestic products was more than equalled by an increase in the demand for Canadian products abroad, while our exports value has shown during the seven first months of 1973 an extraordinary growth of 25 per cent as compared with last year's figures for the same period.

The increase in our exports of goods and services, combined with the decrease in our imports enabled us to improve considerably our balance of payment position for which the deficit, on an annual seasonally adjusted basis, decreased from $1,400 million for the first quarter of this year to $412 million for the second quarter.

Let us consider now, Mr. Speaker, investments and housing. The strong increase in domestic production in order to meet the demand in Canada and abroad has brought along a considerable growth of investments to enable a further development of our production capacity and to meet social needs of the Canadian people.

The last semi-annual survey forecasts an overall increase in private and public investments of 13 per cent during 1973, that is more than the 9 per cent expected according to investments forecasts at the beginning of the year.

It is expected that business investments, except for housing, will increase by 19 per cent, which means an increase of 5 per cent over previous forecast.

A particularly significant fact is the increasing trend, from 9 to 19 per cent, of capital expenditures foreseen by Canadian manufacturers; this increase certainly reflects the reaction of manufacturing industry to the recently passed legislation on corporate taxes in order to strengthen their competitive position.

There is every evidence that housing starts in 1973 will reach a new record for the third consecutive year. During the second quarter residential construction has progressed in value at the exceptional rate of 19.3 per cent. Housing starts which totalled 284,000, in annual figures, at the second quarter, have increased to 304,000 in July.

● (1540)

[*English*]

Let me now turn, Mr. Speaker, to consider more directly the question of inflation, which as the OECD has pointed out in the July *Economic Outlook* is the most serious economic problem confronting western industrial nations at the present time. As that report indicated, the unprecedented simultaneous upsurge in virtually all of the industrial economies has been one of the most critical factors behind the outburst of inflationary pressures around the globe during this period. This simultaneous economic expansion of all industrial countries in the world, which at the same time has compounded world demand, has produced an explosive growth in worldwide demand for both agricultural and industrial commodities, at a time when supplies of many of these commodities were already below normal due to a variety of factors.

Looking at the supply problem, this is particularly true in the case of agricultural products as a result of a sharp decline in production of many basic commodities last year because of adverse growing conditions in many countries. The consequence of a massive increase in international demand for food and for industrial commodities at a time of limited supply has been a sharp increase in the price of such commodities. These sharp increases in prices have, in turn been the major cause of the substantial rise that has taken place in the cost of living in Canada and in every other industrial nation.

For Canada and the United States, the problem has been compounded by the substantial appreciation which has taken place in the relative value of the currencies of a number of other countries as a result of uncertainty—uncertainty over the United States balance of payments position and uncertainty over domestic political developments in the United States. This worldwide upsurge in simultaneous economic growth, combined with the fact of inflation itself and uncertainties surrounding the international monetary system, have had the further adverse effect of sharply increasing the cost of credit—that is to say, interest rates—in every western country.

Within the past several weeks the problem of inflation has been further intensified by the adverse effect of the United States freeze and United States policy of export controls, both of which have had a harmful effect on prices in Canada, as well as by the disruption in supplies of many commodities caused by the rail strikes in this country.

As a major international trader, a country heavily involved in world capital flows, Canada has inevitably been more vulnerable to these global inflationary pressures than most other countries.

Mr. Grafftey: Blame the world.

Mr. Turner (Ottawa-Carleton): Whether the hon. gentleman admits it or not, there is simply no way in which we can effectively isolate ourselves from such forces and at the same time still expect to reap the considerable benefits that have come to us from international capital flows.

Despite our exposure to these forces, the fact is that Canada's price performance record, both over the long term and more recently, compares extremely favourably with that of other countries.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): I think I am entitled, with the indulgence of the House and with Your Honour's permission, to put these facts before the House. Let us just look at what these facts are. Throughout the 1960's Canada, together with Germany, experienced the lowest rate of increase in consumer prices of all the western industrial nations. Between 1970 and the middle of this year, the increase in the cost of living in this country was the second lowest among the eight leading industrial nations, namely Canada, the United States, the United Kingdom, Japan, France, Germany, Italy and Holland.

In the 12 months ending in June, the rise in the Canadian consumer price index ranked third lowest among the eight nations. The hon. member for York-Simcoe (Mr. Stevens) some time ago mentioned the yearly increase in food prices in Canada and said it exceeded in June that of the other seven nations. That does happen to be true, but the increase in Canadian food prices over the period mid-1970 to mid-1973 was lower than that of any other of the seven countries except for Holland.

The increase that has taken place in the level of interest rates in Canada is certainly not a welcome development and is something that every member of this House deplores, regardless of partisan or political considerations.

Again this is part of a worldwide pattern, although interest rates in this country have not gone up nearly as much as in other countries, particularly the United States, the United Kingdom and Europe.

The fact of the matter is that short-term interest rates in this country are anywhere from three to five points below those prevailing in the United States and Europe, in sharp contrast to the historical record of generally higher rates in this country. The volume of credit has also continued to grow rapidly. The Leader of the Opposition talked about a tight money policy, but, as I say, the volume of credit has continued to grow pretty rapidly, perhaps too rapidly. He knows as well as I do that bank loans have increased at an annual rate of 24 per cent in the second quarter, and the total money supply has increased at a rate of 15 per cent. That is not a tight money policy and the hon. gentleman knows it. If indeed there is any risk, the risk is on the other side.

The fact is—and I hope hon. members will recognize this—that if we in this country allow interest rates to get too far out of line with those abroad, we run the risk of an outflow of funds and a reduction in the supply of capital available to finance continued expansion of the Canadian economy. Such an outflow would also tend to reduce the exchange value of the Canadian dollar and increase the cost of all imported goods, thus putting further pressure on prices in Canada. It is all very well for hon. gentlemen to blame the lowering of the value of the dollar on rising interest rates, but that is not the case.

It has been suggested that we should try to isolate ourselves from international capital markets, access to which has generally been of great benefit to Canada. Some members of the opposition have suggested that we should impose some form of foreign exchange controls. In my view, controls of this nature are no answer: they would distort our capital markets and jeopardize economic growth. They would invite the danger of damaging retaliation by other countries and they would be extremely difficult to administer effectively so as to prevent leakage of funds through all sorts of loopholes.

• (1550)

I am well aware of the fact that Canada's relatively favourable price performance is of small comfort to Canadians who find themselves faced with sharp increases in the price of food and a number of other goods. I receive as much mail as anybody else, including the Leader of the Opposition and I understand and sympathize with the feeling of anger and frustration experienced by many Canadians in this situation and their understandable concern that the government should do something—

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): —even if they are unsure of what that something should be. I want to assure the House that the government is prepared to adopt any measures that it is convinced will be of some lasting benefit in stemming inflationary pressures without at the same time endangering our prospects for the continued strong growth of production and employment. But we are not prepared to adopt policies that offer the prospect of

fleeting and temporary advantages at the risk of heavy, long-term damage to the economy as a whole.

Some hon. Members: Hear, hear!

Mr. Stanfield: You will adopt any policy to stay in office.

Mr. Turner (Ottawa-Carleton): There is one school of thought that for a period of many months has sought to persuade Canadians that the magic "something" that would waft away the international inflationary pressures besetting our economy was the imposition by the government of a freeze on all prices and incomes, followed by some undefined system of continuing controls for an indefinite period of time. The hon. gentleman today did add a little more precision. With every speech there is a little more precision.

Mr. Stanfield: I added no precision.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): Then he said, in response to an interjection from the Prime Minister, that of course he was exempting food at the farm gate, whereas the hon. member for Don Valley (Mr. Gillies) admitted in debate that if you are going to try to control food prices at the wholesale or retail level there is no way in which you could avoid controlling the price of food at the farm gate.

Some hon. Members: Hear, hear!

Mr. Gillies: Would the Minister of Finance (Mr. Turner) give me the source of that quotation?

Mr. Turner (Ottawa-Carleton): I will indeed, but I must confess to the hon. member that I have great difficulty in sorting out his opinions pro and con.

Mr. Bell: Put up or shut up.

Mr. Turner (Ottawa-Carleton): I hope you will give me some extension, Mr. Speaker, in view of all these interjections.

Mr. Stanfield: The rules apply to everyone in the same way.

Mr. Turner (Ottawa-Carleton): The Conservative party, once as vehement an opponent of this school of thought as any to be found anywhere in the country, became a late convert only last February. I hesitate to say that political motivation was behind that conversion.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): Since that time, the Official Opposition has been pressing its proposal for the imposition of a wage-price freeze in Canada at every opportunity, with all the convert's typical zeal. Unfortunately for the Conservative party and fortunately for the country, the number of Canadians who still believe that a general freeze control program is the proper remedy for the kind of inflationary problem we are facing in this country at the present time has drastically reduced within recent months to a corporal's guard.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I seem to recall that when President Nixon announced his reimposition of a 60 day freeze in mid-June, the hon. member for Don Valley told an interviewer that he was thinking of moving a motion to have the House of Commons congratulate the President of the United States.

Some hon. Members: Oh, oh!

Mr. Gillies: I appreciate this attention, Mr. Speaker, but I would appreciate it much more if the minister would give the sources of his particular quotations.

Mr. Turner (Ottawa-Carleton): I want to assure the hon. gentleman that like everything else referring to the president it is on tape and we will be able to reproduce that.

In fact, nothing has more discredited the idea of a price freeze under existing circumstances than the action taken by the U.S. administration which led to a drastic cutback in the supplies of many products, particularly food products, and resulted in a further very sharp increase in the prices of many goods, especially meat. On June 28, the Wall Street *Journal* reported in a lead article:

> The nation's food production machinery is starting to grind to a halt under Phase 3½.

The adverse consequences inevitably made themselves felt severely here in Canada as well as in the United States, and are still being felt. President Nixon himself acknowledged the seriously adverse effects of the freeze on July 18 when he asserted on television:

> The freeze is holding down production and creating shortages which threaten to get worse, and cause still higher prices, as the freeze and controls continue.

I would be interested to know, as I am sure many Canadians and members of parliament would, whether the hon. member for Don Valley is still thinking of moving a motion to have the House congratulate the president on following the policy which he and his party continue to advocate.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Let us compare the results. Over 20 months since the United States control period instituted in November, 1971 to July of this year, consumer prices rose at a seasonally adjusted annual rate of 4.8 per cent in the United States compared to 6.4 per cent in Canada. This comparison is probably not particularly unfavourable, given Canada's greater involvement in world trade and the relatively much stronger performance of the Canadian economy for some years prior to the introduction of the U.S. control system. Most members of parliament are aware of the fact that whereas only 4 per cent of the gross national product of the United States depends on foreign commerce, about 25 per cent of our GNP depends on foreign commerce. We are more vulnerable than they are to international price movements. During the six months period since phase 3 was adopted by the U.S. between February and July, the adjusted annual rate of increase in consumer prices has been virtually identical, 7.3 per cent in the United States and 7.6 per

cent in Canada. Food prices in the U.S. rose at an annual rate of 18.2 per cent, significantly more than the 14.5 per cent in Canada, despite the rigorous control freeze program covering food during that period.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): If many members of the House still have any lingering doubts about the ineffectiveness of a controlling program in containing inflation, I would draw their attention to the report from Washington late last week that in August, at a time when the freeze was partially lifted in support of phase 4 of the program, U.S. wholesale prices increased, seasonally adjusted, by 6.2 per cent over the previous month of July. That represents an annual increase in wholesale prices in the U.S. under a control program of more than 75 per cent taken over the year. Yet, the Leader of the Opposition even today still tries to convince Canadians that we can contain inflation in this country simply by following the U.S. example and by adopting our own freeze control program.

Some hon. Members: Shame.

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): I should like to point out further that during the period from last November to July when the United Kingdom instituted a freeze, followed in May by a control program, consumer prices rose 6 per cent in Great Britain, the same increase as was experienced during the same period of time in Canada.

Again I want to go on record regarding the response which the government has made to this worldwide contagious problem of inflation. Although we have undertaken—

Mr. Speaker: Order, please. I have to interrupt the minister but his time has expired. He can continue only with the unanimous consent of the House.

Mr. Stanfield: Mr. Speaker, I find this rather embarrassing. There were consultations among the parties. The NDP approached us about extending time for the Leader of the NDP (Mr. Lewis) and the Créditistes. We felt very strongly that, since only a limited amount of time was available, I should stay within my time and we should stick strictly to the rule. I hope that since the Minister of Finance is only reading something he said many times before, he would get someone else to read it for him later.

Mr. Speaker: As there is not unanimous consent—

Some hon. Members: Shame.

Mr. Speaker: —the Chair will recognize the hon. member for York South.

Mr. Bell: I rise on a point of order, Mr. Speaker. I not only ask that you follow the rules, but I also ask you to recognize that there is only one opposition party left in the House as of Friday afternoon.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I rise on the same point of order. This is the first time that I can

[Mr. Turner (Ottawa-Carleton).]

recall that in a major debate on the economy introduced by the opposition the Minister of Finance was not given some opportunity to finish what he had to say.

Some hon. Members: Shame.

● (1600)

Mr. Speaker: The hon. member for York South.

Mr. Hellyer: The hon. member for York South, on behalf of the government, will finish the minister's speech.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please? I just want to suggest to hon. members that we are, in fact, operating on limited time and I would hope that hon. members would agree at least to give all hon. members who are recognized their full 20 minutes. The hon. member for York South.

Mr. David Lewis (York South): Mr. Speaker, our position on the motion moved by the Leader of the Opposition (Mr. Stanfield) is governed by three factors. The first is—

An hon. Member: Fear.

Some hon. Members: Hear, hear!

Mr. Lewis: —our rejection of the proposals, the irresponsible and unworkable proposals made by the Conservative party. I noted that, for the first time, the Leader of the Opposition had the modesty to assure the House and the people of Canada that the Conservative party was not suggesting that their measures could halt inflation. For the first time, he had the decency to say that to parliament and to the people of Canada. I think that should be underlined. He said that the proposals he made, which consist of a temporary short freeze of 60 days or 90 days, or even 30 days—he mentioned that—and a short temporary longer period of restraint, would fight the inflation psychology? For the life of me I cannot understand the logic of that.

It seems to me that to say to the House or to the various sectors of the Canadian economy there will be a freeze for only 60 or 90 days is to feed inflation psychology and make the situation worse when that period is over. It seems to me when you say to the people of Canada or any sector of the economy that you want to restrain—that was the word used by the Leader of the Opposition and not control—for a few months you feed the inflation psychology and permit everyone to "rev" up and, when the eighteen months are over, go to town on everybody concerned. There is no sense or logic in this, and I find a lack of honesty in the proposal.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lewis: The second factor that governs our position on this motion is that the government has presented to parliament, in response to our demands, a number of measures which are of benefit to Canadians and to

Canadian families. We are convinced that before anyone should even contemplate bringing this parliament down the increase in old age pensions, the removal of the 2 per cent ceiling on the escalation of other pensions and the substantial increase in family allowances must become law. To cause the dissolution of parliament now would mean that these reforms would die on the order paper and be delayed for many months at least, if not forever. This in my view would be a tremendous disappointment to millions of Canadian pensioners and to millions of Canadian families. We simply are not prepared to play this kind of reckless political game.

I note the *Hansard* reporter is finding some difficulty in hearing me because of the noise from the official opposition.

An hon. Member: Isn't that a shame! Are you saying anything?

Mr. Lewis: I think—

Mr. Speaker: May we have order? I believe the hon. member for York South, and all members who have taken or may take part in this debate, should be given an opportunity to make their speeches without undue interruption.

Mr. Lewis: I think, Mr. Speaker, that *Hansard* should show that the suggestion that the increased old age pensions and family allowances must become law was greeted with laughter by members of the Conservative party.

The third point that governs our thinking is our conviction that neither the Liberals nor the Conservatives are willing to make basic changes which are needed to end the corporate rip-off, even as it affects the cost of living. We are convinced that it is possible to do much more than the Prime Minister (Mr. Trudeau) announced last Tuesday to protect the Canadian consumer and the Canadian producer from the corporate profiteering which is now taking place at the expense of the Canadian people, but I believe the Conservatives are just as unwilling to do this as are the Liberals and perhaps even less willing.

Ever since this parliament was elected, we in the New Democratic Party have been faced with Hobson's choice. We decided to accept our share of responsibility to make this parliament work as effectively as we could for as long as we could. I say without any fear of honest or objective contradiction that our party in this parliament has produced substantial benefits for the Canadian people which are important to every Canadian family.

Mr. Hellyer: Such as rampant inflation.

Mr. Lewis: We believe that the measures the government has taken, mainly in response to our demands, have been welcomed by the Canadian people and give some hope of relief to many sections of the people of Canada. They give some hope of success. They involve making available to the Canadian consumers an additional $350 million or so in increased incomes and in subsidies for the remaining 3½ months of 1973.

This is not insubstantial. We believe these measures should be enacted into law. This is particularly true in the area of petroleum policy. For the first time this government has agreed, even though there is now danger of its reneging, on the removal of the Ottawa Valley line for petroleum products which was imposed on Canada by the last Tory government. For the first time the Liberal government has accepted the idea of a two-price system and a national marketing board. All these things are important to the future of this country.

I want to repeat what I said in this House last Tuesday when commenting on the Prime Minister's statement. Everyone now agrees, including members of the Conservative party, that the problem of rising prices is a complicated one, partly influenced by international supply and demand factors, partly by deficiencies in the world monetary system. This is largely aggravated by the monopoly power of the large corporations, most of them multinational. I say, Mr. Speaker, that is why I cannot accept these simplistic, inadequate and ill-defined slogans produced by the Tories.

● (1610)

In order to really get at the roots of the problem, we will require long-term changes, not only in our own country but in the world economy. To play politics with the issue, as is now being done by some members in this House, to pretend that there is a simple, quick solution to this problem, is to abdicate all pretense at honesty and to abdicate our responsibility as members of parliament.

This is not to say, as we have said on many occasions, that we are powerless. In addition to the increases in old age pensions and in family allowances, in addition to the subsidies announced for bread and milk, in addition to action in areas of oil and gasoline, we have proposed other policies which in our view could be of immediate value to reduce the rise in the cost of living as well as the hardships which people of Canada feel as a result. I believe they are practical and honest policies instead of gimmicks.

We have suggested on a number of occasions selective controls that can and would work in areas which have a significant impact on consumer expenditure, and in areas where specific action could bring needed relief to consumers. Secondly, we have urged that in order to implement these selective controls we must have a new Prices Review Board, which members of the Conservative party have voted against and opposed. We must have a new Prices Review Board with jurisdiction over all commodities and with the power to impose price ceilings or rollbacks in cases of excess corporate profit or gouging of the consumers.

Some hon. Members: Hear, hear!

Mr. Lewis: We have asked time and again, and the government has this authority, that the federal government direct all federally chartered financial institutions to allocate a certain proportion of their annual investment to housing at much lower interest rates than the present usurious rates under which Canadians are suffering.

We have proposed an excess profits tax to discourage or penalize the corporate gouging which is now taking place, as I will show in a moment. For families on welfare we have urged the federal government to assume 100 per cent, or at least 75 per cent, of the cost of increased welfare payments under the Canada Assistance Plan.

I say to you that these measures, when joined with measures of adequate support prices for the farmers of Canada in order to increase the supply of farm products, would have an immediate effect on the cost of living, would assist the people of Canada without storing up immense dangers as soon as the so-called freeze and controls, now proposed by the Conservative party, are lifted.

We are convinced that these are fair and practical proposals that would work. They require action in my view to curb the power and the profits of corporations, many of them multinational, which are taking advantage of the present crisis atmosphere which they themselves did much to create.

It is important to note that, as far as the NDP is concerned, at a time when most Canadians are feeling the pinch, corporate profits have been soaring at an unprecedented rate. This is an area that only New Democrats are willing to attack, but it is a crucial area.

Some hon. Members: Hear, hear!

Mr. Lewis: Let me put as quickly as possible some of the profit figures on the record. In the area of food, Weston, in the six months ending August 30 had an increase in profits over the same period last year of 63 per cent, with an increase in sales of only 17 per cent. B.C. Packers had an increase of 125 per cent in their profits and a sales increase of only 25 per cent. Silverwood Industries in the second quarter had an increase of 107 per cent and an increase in sales of only 10 per cent. Maple Leaf Mills in the six months ending June 30 had an increase of 111 per cent. Dominion Stores had an increase in the second quarter of 92.6 per cent with a 13 per cent increase in sales.

Let me put certain figures on the record in respect of banks, Mr. Speaker. The Toronto-Dominion Bank for three months ending July 31 had a profit increase of 50 per cent; the Bank of Montreal 46 per cent, the Bank of Nova Scotia 14 per cent, the Royal Bank 26 per cent and the Banque Canadienne Nationale 78 per cent. Indeed, Mr. Speaker, the increases this year are on top of an increase in 1972 over 1971 of more than 20 per cent for all the banks in Canada. In the five years from 1966 to 1971 their profit increase was a total of 85.3 per cent, higher than in any other segment of the Canadian economy. For that reason there is no excuse for increasing the interest rates, as the Minister of Finance (Mr. Turner) has permitted, thereby increasing bank profits.

Gulf announced an increase of four cents a gallon at their controlled and owned retail outlets. Despite this announcement it had a second quarter increase in profit of 67 per cent over the same period last year. Not only do these oil companies rip-off Canadians through depreciation allowances, tax deferrals and government handouts of every kind, but they also gouge the Canadian people at the pump, and this is where action is needed.

Let me speak for a moment about the field of housing, because every Canadian who wants to own a home is now suffering. The Cadillac Development Corporation for the first six months ending June 30 had an increase of 45 per cent in profits after taxes. The Campeau Company enjoyed an increase of 65 per cent after taxes. Monarch Investment Limited had an increase in profits of 110 per cent. Malborough Properties Limited had an increase of 284 per cent in profits, and Canadian Interurban Properties Limited enjoyed an increase in profits of 182 per cent. I say to you that these are unconscionable and ought not to be permitted by this government.

Some hon. Members: Hear, hear!

Mr. Lewis: I have cited some increases in profits in the fields of food, housing, banks and oil and gas only as examples. These increases in profits have a direct impact on the expenses of the Canadian consumer, and only action to stop this profit gouging will assist the Canadian consumer. This is clear evidence of a corporate ripoff, and is clear evidence of the need for an excess profits tax or other measures to end this callous profiteering. I do not say it would end inflation. I have never suggested that for the proposals we have made, but it would produce some fairness and equity for our people. This is also clear evidence that selective rollbacks which we have suggested are both possible and practical and ought to be imposed by a properly constituted Prices Review Board.

I am watching the time, Mr. Speaker, and I see that I have only about three minutes left. Let me in those three minutes deal very quickly in a little more detail with the proposals put forward by the Leader of the Official Opposition.

The fact is that there was a freeze in the United Kingdom in 1961 and in 1966. There was a freeze in Australia in 1962 and a freeze in Denmark in 1963. There was a freeze in the United States in 1972. In every case these policies failed and not only failed, Sir, but the results of these policies were disastrous for the people of those countries after the controls were removed. They have not worked and they will not work, Mr. Speaker. Furthermore, they are totally unfair; they lock into permanent position the inequities of present income distribution.

● (1620)

Had the Conservatives had their way, the freeze for the farmer—despite what they say about stopping at the farm gate which even they know is a sham—would have taken place many months ago. Where would the farmers be now in light of the increase in international prices? Had the Tories had their way, imagine the situation we would have been in with the railway strike. The railway workers would have been frozen into their inadequate wages. As a political necessity, the Leader of the official Opposition even moved for an increase in the wage rate provision of the bill that was presented to this House.

The fact is that we have not suffered and are not suffering now from cost-push inflation, Mr. Speaker. The fact is that the cost of living for the past number of months has barely kept up with the increase in the wages and the wage demands across this country. It is not the worker who is responsible, it is not the farmer who is responsible and the policy presented by the Conservatives is directed at punishing the worker and the farmer.

Some hon. Members: Hear, hear!

Mr. Lewis: We reject that kind of approach, Mr. Speaker, because it is unfair and unworkable. I ask the Leader of the Opposition to tell this House and the people of

Canada how he would freeze prices on imported foods—fruits such as oranges, grapefruit, bananas, and vegetables like lettuce and tomatoes as well as tea, coffee, cocoa and sugar. All of these are imported. How would the Leader of the Opposition impose a freeze on the price of these imported foods that enter into the cost of living of the Canadian people? How would he impose a freeze on the cost of imported machinery or on the price of homes? Mr. Speaker, I suggest to you—

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

Is it agreed that the hon. member be granted extra time?

Some hon. Members: No.

Mr. Deputy Speaker: It is not agreed. The hon. member for Témiscamingue (Mr. Caouette).

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, some years ago we had a premier out west by the name of William Aberhart who had this to say to the people of Alberta: "If you have not suffered enough, it is your God given privilege to suffer some more."

[*Translation*]

Mr. Speaker, having heard the leader of the New Democratic Party (Mr. Lewis), I would be inclined to repeat exactly the same thing.

Last evening, I say a film shot in some Canadian mines as well as in certain Chilean ones. In Chili, three years ago, President Allende spoke almost in the same terms as the leader of the New Democratic Party this afternoon: against profits, for nationalization.

Mr. Lewis: I did not refer to nationalization.

Mr. Caouette (Témiscamingue): Mr. Speaker, last evening, I heard President Allende of Chili speak against large corporations and in favour of nationalization. The largest Chilean mines have been nationalized, but I learned yesterday that Noranda Mines Limited received 22,000 tons of ore from Chili to be refined in Noranda bacause Chili is not equipped to do it. Such is the socialist democracy in Chili.

Mr. Speaker, I have only 20 minutes, but the democratic socialism of Chili is the same as the democratic socialism advocated in Canada. I'll come back to that later with evidence, comparisons between profits gained by Chilian corporations before and after nationalization, to show clearly to the NDP leader and his colleagues the unreliability of their promises.

Mr. Speaker, we are now considering a non confidence motion. The Leader of the Official Opposition (Mr. Stanfield) could have suggested a better way to spend this day, for instance, by passing a measure to better family allowances as well as higher pensions for those on fixed incomes, to improve the consumers' purchasing power and to discuss it objectively.

Mr. Speaker, I am grateful to the Leader of the Official Opposition for inviting us, quite politely and with a smile, to support his motion. And yet, he should have thought of that when he was in the Eastern Townships and stated—I think he was accompanied by the hon. member for Brome-Missisquoi (Mr. Grafftey)—in Magog and Sherbrooke: a vote for Caouette is wasted. It is only a protest vote. It is only a useless vote. When you vote for the Social Credit Party, you are wasting your time. And today—look at the Leader of the Official Opposition smile—he is asking us to vote in favour of his motion which reads as follows:

> That this House has no confidence in the adequacy of government measures to deal with the cost of living as such measures were announced to the House by the Prime Minister on September 4th, 1973.

What does he suggest? Nothing. What does he do? Nothing. He protests, just as he accuses us of doing outside parliament. We protest and he says that the votes we get are wasted.

Mr. Speaker, when it comes to consequence, the Leader of the Opposition is hard to beat. I have been watching him quite often on TV since last election. The CBC invites him on both English and French networks. They invite him on radio for interviews and press conferences. When journalists—there are some in the gallery—ask the Leader of the Opposition: What have you to offer as against what the government is proposing? He tells them frankly: I suggest a comprehensive policy. But what is a comprehensive program, Mr. Speaker?

And if they ask the Leader of the Official Opposition what attitude he will adopt, he answers: a comprehensive attitude. But when asked what he thinks about the future of his party, he says: We hope it will be comprehensive.

When asked about the cost of living, what he would do about bringing it down or keeping it from increasing, he says: We are going to introduce a comprehensive program. That is the word I have heard him say almost every day over the last year. But comprehensive as to what, one does not know.

The government offers the farmers $1.25 more per bushel of wheat. When he is asked how much he is going to give, the Leader of the Opposition says it will be something comprehensive. But about milk at $1.05 more per hundredweight for dairy producers, when asked how far will you go, he says we are going to study that in a comprehensive way.

Mr. Speaker, will the price freeze be comprehensive? Is that his program? I understand that his motion is right, when it says that the government is not going far enough; it is clear that it is not going far enough, but how far are they willing to go? That is what we do not know.

Therefore, I would rather settle for a better pension, increased allowances than not knowing where I am going. That is what the Leader of the Opposition should know.

Mr. Speaker, tonight we shall see him again on television, and he will say: Parliament was not comprehensive. The New Democratic Party, the Créditistes do not understand anything.

Mr. Speaker, when we proposed to increase the old age pension to $200 per month, at 60, the Leader of the Opposition voted against it. He was not very comprehensive, he did not understand then. The New Democratic Party says: We have led the minority government. The NDP also voted against granting pensions at 60. We would like to see that included in the progressive conservative motion.

When we asked for interest-free loans to the provinces—something we are still asking for—to alleviate somewhat the situation in which the provinces find themselves, they voted against our proposal. When my colleagues and myself asked for interest-free loans from the Bank of Canada, which is our financial institution, the leader of the opposition objected, as did the NDP and the Liberals. The Minister of Transport (Mr. Marchand) and the Minister of Finance (Mr. Turner) voted against it.

Mr. Turner (Ottawa-Carleton): Oh, oh.

Mrs. Sauvé: They are not understanding.

Mr. Caouette (Témiscamingue): Well, yes, Mr. Speaker: I ask interest-free loans to fight against inflation. The Liberals, as the minister said—and she is right—are not much more understanding that the Leader of the Official Opposition.

● (1630)

Mr. Speaker, interest-free loans to fight inflation, this is why we are here, and I will give you an example.

Only 15 days ago, the Quebec premier went to the United States to borrow $100 million for the James Bay project, at a rate of interest of 10 per cent, for 25 years. This means that 25 years from now we shall have paid $250 million for interest payments alone and that we shall still owe $100 million on the capital. On what is this loan from the Americans based?

Mr. Speaker, they say: We must go to the United States. If the James Bay project was not profitable, premier Bourassa could not even borrow a quarter from the United States. On what is the loan based? On actual value, on the natural resources represented by James Bay. If the accounting was done by the Bank of Canada instead of by the Americans, the Quebec government, like that of other provinces in the same circumstances, would save $250 million in 25 years.

Newspapermen will not mention that. They will mention the motion, which contains nothing. That is absolute non-sense. Indeed it says that the government does not go far enough. We know that, as a matter of fact everybody knows that. It is requested that that motion be adopted, but no alternative is offered.

Mr. Speaker, we advocate loans without interest from the Bank of Canada. The assistance we give to India is in the form of new loans without interest for 60 years.

At the present time, the Bank of Canada is authorized to make available loans to Canadian provinces up to 25 per cent of their budgets, under sections 13 and 20, but for six-month periods only. Mr. Speaker, what can a province do in six months? It is being placed in an impossible situation. That is why it does not deal with the Bank of Canada. But if the words "six months" were to be replaced by "25 years", all the provinces of Canada would ask the Bank of Canada for credit according to the possibilities of developing their natural ressources. This is beyond the government's comprehension.

Mr. Speaker, we are eagerly looking forward to the awarding of these pensions suggested by the government so as to provide a better fate to our old people. But such a pension should be paid to the 60 year olds, and even if the spouse has not reached that age he or she should be eligible for it.

The law provides for higher family allowances but soon these will not be sufficient.

Mr. Speaker, to keep on paying production grants when we have already too much production, this is not the problem. We find it in the field of consumption where the purchasing power is not sufficient to permit the acquirement of already existing products. This is what we Créditistes are suggesting and advocating.

When I or my colleagues are talking about the Bank of Canada some find it funny but we will have to come to that. Parliament will come to such a solution as it has been compelled to increase pensions above $100 a month; yet we made everybody laugh here when we were advocating them.

Some of my colleagues will be elaborating on the Tory motion; there is no party line about it. Those who will want to vote for it will be free to do so, just as those who will want to vote against it, but the point I want to make is that this motion represents a loss of a day for the House, a day that we could have used to discuss family allowances or other fields of Canadian economic activity. Indeed the problem is economic. We could have discussed that issue seriously instead of losing a day, waiting to have that opposition day after the normal resumption in October. But no. The leader of the opposition announces and informs us two days in advance that the non confidence motion in the government will be there.

I am not confident that the government will solve the present problem. No. I have no more confidence in the Tories who were in office before and did not solve the problem of inflation or unemployment in Canada.

Inflation, Mr. Speaker, we know we have plenty of; the only thing is that inflation is not in the pockets of the consumers but in government taxes first of all and that same government will suggest tax increases. And as the tax increases are reflected in prices, prices will go up again. Whether there is a freeze or not, prices will rise and the consumer will pick up the tab.

The Creditists are logical when they ask for new credits, not credits or money taken in the pockets of Canadians but new credits based on the real wealth of Canada, at the Bank of Canada. That is where we can find the credits which are necessary for the development of our country, to enable us to deal effectively with inflation, with the rise in the cost of living, and to give new structures to an economic system which would help the population instead of penalizing it as is now the case.

Mr. Speaker, we will not prevent the increases in old age security pensions or in family allowances but we suggest that the government—the Minister of Finance in particular—seriously consider the solution put forward by the Creditists that credits from the Bank of Canada should establish some balance between the purchasing power of the Canadian consumer and the tremendous production in Canada. We would then have economic security with fullest personal freedom.

[*English*]

Mr. James Gillies (Don Valley): Mr. Speaker, I rise to participate in what I had expected would be one of the most important debates on which this parliament might embark. I have discovered, having listened to three previous speakers, that that is not to be the case.

I want to comment briefly on the remarks of the leader of the New Democratic Party who has a penchant for going around the country asking people to be honest in their approach. I find it far from honest for a man to stand up and say that a party that has espoused a program of income policies is dishonest and playing cheap politics when most countries in the world today that are fighting inflation are using everything they can, including an incomes policy. Indeed, it was totally dishonest of him, in reciting the record of inflation in various countries with income policies, to say that they do not work, as the country with the lowest rate of inflation in the world, Australia, happens to have an incomes policy at present. It is not a question of honesty one way or another.

● (1640)

The leader of the New Democratic Party talked about increases in profits and so on, and said there is no cost-push inflation in the economy. Most people would say that the evidence of the existence of a large cost-push inflation in this economy is the fact profits have gone up as high as they have. In many instances, high profits are a result of administered prices—the very thing you want to stop with an incomes policy.

I also want to say that I find he has a peculiar interpretation of the way parliament should work. The New Democratic Party does not believe the Liberal policies are working effectively, but says they cannot vote against them because they do not like ours. That is not a decision for the New Democratic Party. It is a decision for the country.

Some hon. Members: Hear, hear!

Mr. Gillies: The leader of the New Democratic Party said today that his party does not believe what is being done about inflation in this country and the way in which the economy is being managed is adequate, appropriate and effective. If that is the position they want to take, that is fine. However, they should not weasel out of it by some theory of parliamentary responsibility, that it is their job to keep parliament here. It is not their job to make that choice. That is a job for the people of Canada.

Some hon. Members: Hear, hear!

Mr. Gillies: In his speech, the Minister of Finance (Mr. Turner) gave us the same interpretation of inflation and the operation of the economy as he has in the past. He talked about the fantastic rate of growth and the increase in jobs and the percentage rate of increase. He forgets that only two and a half or three years ago, we had 7.2 per cent unemployment in this country, the highest rate in the industrialized world. If the government had not done anything, and it did practically nothing, one would have expected some type of growth to take place in the Canadian economy because of the increase in the rest of the world.

The minister found it strange that we would support the measures the government brought forward as a type of anti-inflationary policy, and then be opposed to the way in which they are approaching the whole situation. Of course, we support the proposition that people who are being hurt, and suffering severely from the ravages of inflation be assisted. Since the government has no policies to cope with inflation, the Canadian people need support and help.

If this government or this country thinks that the way to solve the problem of inflation is to constantly change our social security benefits, we are in for terrible trouble indeed. Even more important, the people we are trying to protect will never be protected properly. There has never been a time in the history of this or any other parliament when we have been able to change our pension and social security programs rapidly enough to take care of the people who are hurt badly in situations of this kind. Of course, we support those propositions, but I want to make it clear that in doing so, under no circumstances do we think that the government has any policy, program or understanding of what inflation is all about.

Some hon. Members: Hear, hear!

Mr. Gillies: There is one other point I wish to make before I get into my main speech. There are statements being made in this country, some of which can be terribly harmful for all Canadians in the future. The proposition being seriously advanced as we approach the last quarter of the 20th century is that we may have serious economic problems and there is nothing that can be done about them. The proposition that we cannot do something about our monetary and fiscal policies or exchange rate policies to deal with a problem like inflation is a charade, a canard. Putting that proposition before the Canadian people can only do the nation great harm.

It will do us great harm if, when there is an issue that needs to be faced in this nation with worldwide ramifications, we sit around and say that nothing can be done. As I read through *Hansard* of the 1930's, I believe the approach of this present government, namely that nothing can be done, is exactly the type of approach they would have taken during the worldwide depression at that time.

Surely, we are not prepared to accept the proposition that there is nothing a government can do to work out the economic problems which may beset a nation in a particular time. Indeed, much of the progress that has been made in the world in the past 25 years has been as a result of the fact that governments' have accepted the responsibility of full employment and reasonable price stability. At the end of World War II, the great fear in this country and throughout the industrial world was of unemployment. Governments decided that never again would any nation have to pay the price of worldwide depression, and they used monetary and fiscal policies to prevent one. In the past 25 years, we have had increased growth and prosperity for most people. The problem now is to keep that growth and full employment along with reasonable price stability.

I cannot accept for a second the argument of the Minister of Finance that the fact the real standard of living for Canadians has increased means we do not have to do

anything about inflation. We can pay the price of 2, or 3 per cent inflation for full employment. However, when you get a rate of inflation that may well be 8 or 10 per cent in the next year, something has to be done about it, and something can be done about it with proper policies.

There are choices that can be put forward to the Canadian people on how to deal with this inflationary situation. One thing we, as a responsible parliament, cannot put forward is the proposition that we should not do anyting. The government's policy is to sit and wait, hoping that inflationary forces throughout the world will go away. The government hopes worldwide inflation will end and eventually something will be worked out, prices will fall, they will be in a better situation politically and perhaps the country will be in a better situation. That has to be the road to disaster. There has to be a recognition of a responsibility, which certainly any central government has to accept, of maintaining price stability.

The second choice, a choice which the liberal administration seemed to approve two or three years ago, is to fight inflation to slow down the economy. Obviously, inflation can be stopped in Canada if we are willing to accept the proposition we should raise taxes, reduce purchasing power and have a high interest policy. There would be no money available for small borrowers or for housing. Of course, this would slow down the economy. We could cure inflation through policies of that sort, but they are totally unacceptable. The price we would have to pay would be far too high.

The third thing we can do is accept the fact we have a responsibility toward inflation. We can use monetary and fiscal policies and exchange rate policies and supplement them with an incomes policy in order to get the expectations, about which my leader spoke under control. We can recognize, for good or ill, that something is wrong with the way in which we have been managing the economy of this country, not only during this inflationary period, but over the past three or four years.

Some hon. Members: Hear, hear!

● (1650)

Mr. Gillies: The fact is that one really cannot accept the proposition that a country as wealthy as Canada must accept an unemployment rate of 7.2 per cent, as was the situation two years ago, or that today the rate of inflation should be rising at one of the highest rates. As we all know, statistics can be used to support whatever argument one wishes to make, but recent statistics do suggest that the rate of inflation in the United States is substantially lower than it is in Canada. A few years ago, the rate of inflation in Canada was a good deal lower than it was in the United States. This, again, negates the argument that there is nothing we can do about the inflationary forces operating in our economy.

The Minister of Finance (Mr. Turner) and his department must recognize that great changes are taking place in world conditions and in the relationship between our economy and the economy of the rest of the world. We must shape our policies accordingly. The practice of the past 20 or 30 years, of saying we can operate the Canadian economy most effectively by an almost total reliance on a

continental approach will never work in the same way from now on, and again I say this in no negative manner. The fact is, Mr. Speaker, we are so tied in, when it comes to economic policy, with policy-making in the United States that we do not really exercise an independent policy at all. When the United States devalues its currency, as it did some time ago, the Canadian dollar is devalued at the same time—against some countries it has been as much as 30 per cent. Did the Canadian economy need to be devalued by that amount in our domestic circumstances? The question is not whether we should float with the United States dollar because of the advantages of that relationship, but whether that float is operating in absolutely clean and appropriate fashion. People around the world ought to know, when they look at the balance of payments figures for Canada, that the Canadian exchange rate is reflecting changing trade patterns. Similarly, it is necessary for us to re-examine our monetary policy.

The Minister of Finance made much of the fact that short-term rates are low. But long-term rates are high. We shall not halt the inflationary trend until action is taken to deal with high rates of interest, particularly as they affect the key industry of housing, or restrict the flow of money to farmers and fishermen, for example, who need resources in order to operate effectively. We need to examine the causes giving rise to such large short-term capital flow; we need to determine whether this situation is good for the economy. It is hard to make a case for the Canadian economy being better off as a result of the heavy amount of short-term capital flow taking place over the past years. In Canada, one can predict changes in interest rates by noting what the Federal Reserve Board does in the United States. It is, no doubt, important to watch this relationship closely, but it might well be the case that the monetary policies which Canada needs are quite different from those required by the United States.

The solution is, of course, a short-term interest equalization tax. Such a tax is not unusual. Most countries in the world have adopted this device as a means of maintaining independent economic policies. In developing fiscal and tax policy it seems to me we should make sure that whatever is done will lead to the benefit of all Canadians and to the expansion of the economy. We have asked the Minister of Finance many times to tell us what has been the effect of the cut in corporate income tax from 49 per cent to 40 per cent, its relationship to Canadian investment and its use by parent firms operating outside Canada. We were never given that information. The point I wish to make is that the Canadian economy, as it is operating today, has greatly changed as compared with ten years ago, or even five years ago, and policies must reflect that situation.

We must find some way of supplementing monetary, fiscal and exchange rate policies, geared to ensuring full employment without inflation with other programs. Many countries are adopting incomes policies at the present time. The position taken last February by the Progressive Conservative party was that in a contemporary economy a large degree of "cost-push" inflation would exist. It is still present in the Canadian economy. We are often reminded that 25 per cent of our GNP is generated outside the economy. The fact remains that 75 per cent is generated inside the economy, and it is possible to design an incomes

policy which would set the permissible rates of increase in wages, prices and profits in such a way as to curb inflationary pressures. We simply cannot permit prices to rise when there is no competition in the marketplace, and the only way of attacking this situation is through an incomes policy. I find it strange that the government would not recognize the need for such a policy at this time.

There is no way in which the Conservative party or, indeed, the people of Canada, can accept the proposition that there is nothing which can be done about inflation. To take this attitude is wrong. If the government would only provide leadership in devising new and constructive policies to deal with fiscal arrangements, exchange rates and so on, the people would be more than willing to support an incomes policy, particularly if the administration opposite would also moderate its own expenditures and order its priorities more carefully. And, I may add, if it showed much more exactitude in the forecasting of its deficits and surpluses—the problems could be dealt with more expeditiously. We apparently had the incredible situation last year of operating with a deficit in the middle of a high inflationary situation because the forecasts were apparently not correct; we did not know where we stood. There needs to be a great improvement in the operation of our economic forecasting machinery.

In conclusion, Mr. Speaker, it seems to me that the issue we are debating today is this: can the government do anything about inflation, or is it enough to say: Don't worry; we shall make adjustments in the social security programs; the real income of Canadians has risen, and inflation does not present any particular problem. As I listened to the speech made by the Minister of Finance, I had the impression that neither he nor his colleagues had been in touch with the people of this country; that they feel, in fact, no problem is facing us. Mr. Speaker, one does not have to look up statistics to realize that a major problem exists in the Canadian economy today. More important, one does not have to be very seriously involved in the interpretation of economic events to know that the major inroads of inflation can be countered only if the government takes the necessary steps to re-examine its policies with respect to monetary matters, taxation, the exchange rate, and if it has the good sense to consider an incomes policy. Surely, Canadians must not have to live with 8 per cent inflation for much longer.

Some hon. Members: Oh, oh!

• (1700)

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I listened with a great deal of interest to the hon. member for Don Valley (Mr. Gillies). Because of his background in economic subjects I have tried for many months to listen to him. I sympathize with him because once again I find he has proved the adage that it is difficult to sound sensible and like a Progressive Conservative at the same time.

Some hon. Members: Oh, oh.

Mr. Horner (Crowfoot): That is pretty weak.

Mr. Lang: The hon. gentleman began with the promise that he was going to give the Minister of Finance (Mr. Turner) some advice about how our economic policies should be developed. He had a little trouble, as does his party, in knowing which quarter of the century he was in, because he thought he was in the fourth quarter of the century. Then, in the course of his advice to the Minister of Finance, he clearly indicated that there was a solution to this problem of inflation that the world is facing. I quote his advice to the Minister of Finance which was "to find some way". At the same time, he gave some other advice to the government, which so far as I can see was to advise us to have high interest rates as well as low interest rates. Presumably, the high interest rates were designed to assist the Canadian dollar, and low interest rates were advocated because they are much more popular than high interest rates. So, the hon. member indicated we should have both at the same time.

This, of course, reminds one of the history of the hon. member, and that of his party, who suggested a little earlier during the budget debate that at the same time as we turn up the fire under the kettle we hold the lid on. As I recall his criticism, I believe he only asked for an extra $1 billion deficit, whereas his colleagues upped it to $2 billion in the speeches that followed. The fact of the matter is that the world is in the grip of a rapidly rising price situation. The fact is also that the most significant factor is the rapid rise in the price of food. That is true in this country and it is true in other countries as well.

There has been growing talk of an inflation psychology. I suggest most seriously to hon. members, and to the people of this country, that a good portion of the rise in the price of food should not really be treated as an ordinary price rise similar to that which has taken place in every other sector over a period of time, or indeed that is taking place even now. A good portion of the rise in food prices is an overdue adjustment of income to farmers in Canada who produce grain and meat for market.

It is of particular importance that these adjustments have taken place. Adjustments of a similar magnitude compared with other price rises need not and will not take place in the future, but the adjustment that has taken place to date is overdue. I say that because it is important that other sectors in this country should not believe that they somehow have to try to catch up to the over-all price increases that are taking place in this country, including the increase in the price of food. This would be an attempt simply to take back for the more protected—those on higher incomes—all the gain that has been made by giving farmers a better income return, as well indeed as other gains being made under this Liberal government by the low income earners in this country.

The figures, even at a relatively brief glance, indicate what has been happening in the food sector of agriculture. I refer to such figures as the percentage of total family expenditure on food compared to total expenditure, which decreased from 21 per cent of income in 1964 to 17.6 per cent of income in 1969. I refer to the further fact that from 1967 to 1971, the food price portion of the consumer price index increased by approximately 11 per cent, while the total consumer price index increased by 16 per cent.

Nor does that tell the whole story. Within the food price index a significant number of elements, such as workers in food processing, transportation, selling, retailing and so

on, were themselves receiving a fairer average increase in return for their effort. The person who was left without adequate return was the producer of grains and animal products, particularly of those products over which this country has least control because of the importance of the international market.

Therefore, it is an important fact that a good portion of the recent food price increase represents an overdue increase in return to the producer of animal products, grains and meat, and it is good that this has been so. But it ought not to be taken back by demands made in other sectors, particularly those with the highest level of protection, through wage gains. Again I emphasize that I do not include those in low-paid fields. Whether through wage negotiations or as a result of additional government assistance, such as an increase in family allowances, I hope we will be able to protect them better and better in terms of the distribution of income in this country.

During this period of difficulty for the producers we have over the years been taking certain action to assist the income of farmers. We made a beginning, and we hope to continue to improve this beginning, towards making more secure the outlook of the producer of agricultural products. Let me remind hon. members that in 1969 we fixed the domestic price for wheat at $1.95½, and this at a time when the price in the world was dropping below that figure. It dropped approximately 30 cents below that price for a time.

During this period of time, the Canadian consumer was asked to pay this modest amount more for his wheat products which he purchased on the market. Then, two years ago, we introduced the two-price system, with an additional $1.04½ for every bushel of wheat consumed in Canada, in order to bring to $3 the return to the Canadian grain farmer on his domestic wheat. In this way, we had a continuation of the payment by the consumer over international prices of some 20 cents to 30 cents and a payment from the treasury, in the form of assistance to the income of farmers, of $1.04½.

Recent price increases in the world have brought wheat prices beyond that level, and now seemed to be an opportune time to look at giving more additional security to the grain farmer in relation to his wheat sales in the domestic market. Again, I emphasize that I am talking about the domestic market, which perhaps involved only one bushel to eight or one bushel to 10 in relation to the volume of export wheat we ordinarily handle. It is this 10 per cent or 12 per cent which we have under our own control on which we can give some protection to our wheat producers.

● (1710)

At the same time, we can give the consumer some immediate or short-term relief against further increases beyond any level that anyone might have dreamed of several months ago. We can do so by offering to the producer a $3.25 floor on the basis of No. 1 CW wheat in Thunder Bay, which again is much higher than anyone might have dreamed of several months ago. I should remind hon. members that until this year, as shown by the Wheat Board annual report, no total return to farmers on their wheat had exceeded a $2 figure, and we are putting into this seven year arrangement a floor of $3.25 which will therefore be a transfer from the consumer to the producer at any time when world prices drop below that level.

Our specific proposal is that the arrangement for several years for spring wheat, and consequently for related wheats, will be in the range of $3.25 to $5, a floor and a ceiling. This is an arrangement which, if it were offered to us and available to us on an international basis, would be considered to be very good indeed for our Canadian farmers. In the case of Durum, because of the current special world price situation, we propose to enter into the arrangement with the same floor of $3.25 per bushel, recognizing the long-term close relationship between spring wheat and Durum, but a ceiling of $7.50 per bushel.

In order that not all of this be passed on to the consumer, as it was about to be had we not acted earlier this month, we propose to pay to the producer through the Wheat Board in the case of the bulk of the wheat produced in the Prairies, and in another manner direct to the producer or indirect, $1.75 per bushel on the grain consumed in Canada. The Wheat Board therefore will be pricing spring wheat throughout the seven year period at $3.25 to the millers, Durum at between $3.25 and $5.75 depending on the world price, and the treasury will pay up to $1.75 in all cases where the price of wheat is higher than the maximum limits. This $1.75, which amounts to a total of approximately $100 million at its maximum, is a direct consumer subsidy designed to hold the price of bread at present levels and avoid unnecessary increases due to the price of wheat, and will be paid to the producer because of the agreement which gives him the range of $3.25 to $5 on spring wheat.

Hon. members have asked about the manner of putting this into effect and about security. It is my hope and expectation that at an early point in time we can come before the House of Commons with a bill to set up for the seven year period the treasury payments which are involved in this program.

Some hon. Members: Hear, hear!

Mr. Lang: It is because it is a seven year program that it is so attractive to our producers. It is part of our over-all program in assuring step by step additional income and security to our producers of grain and animal products.

In our recent August 3 announcement of a feed grain policy for Canada, very important commitments to a storage program and to a guaranteed price program were included. Hon. members are well aware of our view that a major grain stabilization program is essential to give long term security to our farmers. The Prime Minister (Mr. Trudeau), in a statement the other day, indicated at a federal-provincial meeting of ministers of agriculture that additional stabilization programs on other products will be discussed because it is true that the most important thing for a producer of animals and for meat production in this country is the assurance that prices tomorrow, the day after and the day after that, will be at reasonable levels which take into consideration the costs and the risks of the producer. No one should really suggest that today in this country meat is over-priced so far as the producer is concerned. In fact, with feed grain and protein prices

being where they are he needs at least this amount. But what he needs even more than a fair return at present is an assurance that his return in the future is secure. If it is, he will stay in the business of producing animal products for this country in the best way he can. This is a sensible program of action.

As with the program on oil and gas announced by the Minister of Energy, Mines and Resources (Mr. Macdonald), it is always important to move forward in a certain way, and then to discuss matters that are involved with the provinces. That is what we have done here. We acted directly and immediately with that part of the program on which we could act, and then we proceeded to consult the provinces with regard to the longer term parts of the program. We are criticized on the one hand for acting without consultation, but hon. members opposite should imagine what they would have said if we had talked about consultations and meetings without having acted on a program.

We have acted on a program to deal with the problems of people who, like the farmers, need income adjustment and whose income adjustment should not be counted as part of the over-all price increase in the country. That is the way in which this government will continue to move in dealing with the problems of this country.

Some hon. Members: Hear, hear!

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I had intended to make a different kind of speech on this occasion, and having the privilege of following the Minister of Justice (Mr. Lang) I hope I will be excused if I devote most of my time to endeavouring to interpret what he had to say. It is very difficult to understand. Of course, he was able to convince the Leader of the NDP (Mr. Lewis) by his statements last fall when together they got into that form of philosophical discussion that resulted in a union then, and has since become a rather unusual union. I was very much interested in the speech of the leader of the NDP. He wrapped himself in the garments or righteousness, and he was able to place before the House the concept "if you would see perfection, see me". I always like to hear him debate because he is able to speak with clarity and with an unusual ability to get around facts, but at the same time to leave the impression of being entirely logical without possessing that quality.

● (1720)

I immediately want to give high marks to the Minister of Justice for that philosophical discussion that took place a few days after the election when he sought converse with the Leader of the NDP, not to convert but to understand. Apparently, as a result of that discussion, he was able to bring about that unity that has prevailed throughout the ensuing days. Some day I will deal with the leader of the NDP and shall read some of the sonorous statements he uttered with leonine gestures concerning what he would do with the government if it did not do what he wanted. The government has not done these thing but now, following a meeting with the pride of lions in the causus, the lion has become an adoring lamp. He does not like what the government is doing, but "my goodness we are going to support it". He even ancitipated what Her Majesty's Loyal Opposition was going to advance and issued a pronunciamento on Saturday to the effect that they would stand with the government. Nothing to equal that has been seen since the days of Damon and Pythias. He votes with the government not because of what the government is doing but because only in joining with the government is there survival for the NDP.

Now, I have a word for the Minister of Finance (Mr. Turner). I have great admiration for his facility of speech, for his ability to read the most difficult financial terms and for the fact that he is equally proficient in both languages. I greatly admire his ability to say that they have not done anything, but certainly have plans in mind for the future, and then say that the Leader of the Opposition (Mr. Stanfield) does not know what he is talking about.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I am glad to note that there is some applause. "He doesn't know what he is talking about". They borrowed 40 per cent of his ideas in respect of the economy during the last three months.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: What is the government solution as enunciated by the Minister of Finance? This reminds me that the government's attitude concerning the soaring cost of living is analogous to the driver of a fast moving car going downhill who finding that the brakes are not working, opens up the door and endeavours to put his feet on the roadway to slow down the speed. There is nothing in their policy which will meet the problem. The hon. member for Don Valley (Mr. Gillies) was able to analyse the situation with a clarity and with a knowledge of economics which was unanswerable. Therefore, the Minister of Justice did not find it necessary to deal with it. The Minister of Justice says his policy is an excellent one. Which policy—the one enunciated 8 days ago, the revised version of five days ago or the revised version of the revised version of Saturday in Winnipeg?

What do western leaders say concerning this policy? Well, I have here a quotation from the leader of the NDP in Saskatchewan, but possibly it would arouse the antagonism of the leader of the NDP in this House. He said according to a recent press release:

"I am disappointed that the first areas of price controls seem to be agricultural products.

"I understand and appreciate that these prices should be controlled. Consumers should be protected from soaring food prices but it shouldn't be at the expense of the farmer."

Usually, the leader of the NDP is willing to control everyone but labour. He goes on to say:

"If farmers are subject to ceiling on their prices, they should have selective price controls on their costs—

They applaud that in the NDP and vote for a government that is not doing it.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Lest anyone think that the views of Premier Blakeney might be regarded with some suspicion, I now wish to quote the words of the leader of the Liberal

party in Saskatchewan, Mr. Steuart. He is one of the proteges of the Minister of Justice. He says:

"I can't see that the farmer should in any way subsidize any food commodity.

"For years and years the western farmer was forced to sell his grain for Canadian consumption as well as world-wide consumption at whatever price he could get on the world market. And we were told for years and years that that was the way it was.

"The world market was a dollar and a half, it didn't matter what the farmer's costs were, he had to take a dollar and a half.

"Now for the first time since World War II, for the first time in over a quarter of a century, the farmers are getting good prices for their commodity.

"And so we're sort of seeing a backlash where people are saying 'well we better put ceilings on these prices.'

"And I say no."

That is the leader of the Liberal party in Saskatchewan. I wonder whether the Minister of Justice consulted him. He did in the last election with tremendous success.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: He won his own seat in the province. The question continues:

"And I say no. We're not putting ceilings on anything else. If the federal government wants to subsidize food prices, I say good. . . .

"But in no way should the western farmer or any farmers in Canada be asked to subsidize it."

What does the Minister of Justice say to that? What about this subsidy? The first hint of a subsidy, I think, was about five days ago.

Mr. Stanfield: Back in July.

Mr. Diefenbaker: Yes, but this is the revised version. They were going to hook the farmer for about $1.70 a bushel to subsidize the consumer. That is what the plan was.

Finally, there was the alteration outside the House of Commons of what he said on Friday, and I had questioned him on this. He said he was giving us the full story, but now there is a revised version. Under the plan as it is today, the western farmer producing wheat will be subsidizing the consumer of Canada by approximately 67½ to 72 cents a bushel. That is wrong. Any subsidy should be paid by the people of Canada as a whole, and not by the farmers of western Canada.

● (1730)

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The Minister of Justice enunciated with great gusto an illusory plan, not yet achieved, for a seven-year sale in advance. What is the experience we have had with him up to now? The government is going to put a ceiling on the farmer's wheat. That is what the Liberal party did during the last war. It restored the Wheat Board, having let it die, so it could put a ceiling on the price of wheat, and the farmer could not get the price that would otherwise have been available. Now the government is going to do it directly and put a ceiling on the farmer's wheat.

Has the minister forgotten the unholy mess his government made—not him, because he is merely a puppet of the Prime Minister (Mr. Trudeau)—in connection with the sale of our wheat all over the world at prices below the cost of production? That has been going on for the last several years; and the minister cannot deny it, as he sent a letter to his constituents and forgot to delete that part. Wheat was sold to the U.S.S.R. at a price lower than the cost of production. I am referring, not to a political record but to a government document issued in connection with customs operations, exports by commodities. It shows that they sold wheat to the U.S.S.R. at $1.73 per bushel when the asking price, on contract, in Vancouver at the time was $2.96. They sold wheat to the People's Republic of China for $1.97 at a time when the asking price was $2.92.

Mr. Lang: That is not true.

Mr. Diefenbaker: They sold wheat to Cuba at $1.75 when the asking price was $2.90. They got rid of the farmers' wheat at a price below the cost of production. Now the individual who initiated this says he has a new plan on behalf of the farmers.

Let me refer to other sales. They sold wheat to the U.S.S.R., again at $1.72 a bushel when when the going price was $2.97. They sold wheat to Cuba for $1.72, and to North Korea for $1.54. Isn't it strange how all these people got in on this deal? This has been going on. The minister and the government have been blind to the fact that there has been a population explosion all over the world and food should be produced to the geatest possible degree. We should also be able to expect governments, realizing the facts known to people all over the world, not to dump farmers' wheat at prices below the cost of production.

Mr. Horner (Crowfoot): They were giving their friends a good deal.

Mr. Diefenbaker: I mentioned this historic letter the minister wrote to his constituents, dated March 2, 1972. In this letter he sets out the record in respect of the parliamentary speech index so that all may read and all may know. Then he makes his own observations in handwriting. In this letter of March 2, he said he was attending a Minneapolis farm forum. That is where representatives of agricultural organizations in Canada and in the United States gather. He asked the Americans why we in Canada were selling grain below the cost of production, and then said we were ready for reasonable prices if they said the word. The farmers of western Canada were taken for a ride in respect of 400 million to 500 million bushels because of this policy of dumping our wheat all over the world at prices below the cost of production.

Some hon. Members: Shame!

Mr. Diefenbaker: The minister wants us now to forget. Let me mention one other thing. He has now arrived at the point where he is able to look seven years ahead.

An hon. Member: That is two years better than Russia usually does.

Mr. Diefenbaker: What was his record when he was only looking a year or so ahead? Has the western farmer forgotten the Lift program? When it was introduced, I suggested that the only individuals who would get a lift

would be the western farmers, in the posterior; and that is what happened. The minister went all over the country and suggested a cut-down on production. He said this was necessary as there was no possibility of selling. At the same time, there were hundreds of millions of bushels of wheat stored—and they dumped it at fire sale prices all over the world, at the expense of the farmer. Was the minister right in respect of the Lift program? I suggest that was the greatest hoax and deception ever perpetrated on the western farmer.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Now the minister says, in effect, that this is all in the past, he has a new vision, he has seen the light. I suggest it was not a new light that he saw; it was the heat he found developing in western Canada that forced him to alter the unalterable. He enunciated a policy on Friday, he went to Winnipeg, he saw, he heard, and he ran. Now he has a policy developed under those circumstances and says that all we have to do is take his advice and the western farmers should fall into line.

Where are our wheat stocks today? Let me refer hon. members to this statement:

> The Wheat Board have not sold any wheat past December as apparently all available stocks have been allocated and they want to have some idea of the outturn and grades of this year's crops before making further sales.

The minister cannot challenge that statement because it comes from his seatmate's company, James Richardson and Sons, Limited. It is a wonder he did not let his seatmate whisper to him, telling him what the situation was. The statement goes on to mention that ships have been waiting, and so on. Let us go on to another matter in connection with the advice and the impenetrable mess that has been made of this situation. Farmers are again being taken for a ride. Until the last couple of days, and the revised version, the farmers' wheat was to be sold at $3.18 a bushel to the millers. Unsatisfied with having trimmed them under the Lift plan, he now wants the wheat farmers to subsidize the consumer. Let me tell him that in the last election there was one Liberal member returned in Saskatchewan. When the farmers realize this new policy, there will be a reduction to the minimum.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): Bye-bye, Otto.

Mr. Lang: You have said that before.

● (1740)

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the right hon. member, but the time allotted to him has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Laniel): The right hon. member could continue with the unanimous consent of the House. Is there such consent?

An hon. Member: No.

Some hon. Members: Agreed.

Cost of Living

The Acting Speaker (Mr. Laniel): There does not seem to be unanimous consent.

[*Translation*]

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

The Acting Speaker (Mr. Laniel): The hon. member for Madawaska-Victoria (Mr. Corbin) is rising on a question of privilege.

Mr. Corbin: Mr. Speaker, I said no, and I said it as the member for Madawaska-Victoria and because the Leader of Official Opposition (Mr. Stanfield) refused to extend the time of the Miniter of Finance (Mr. Turner).

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am very pleased to participate in this debate because I will have the opportunity to complete some of the remarks made by the Minister of Finance (Mr. Turner) who was unfortunately interrupted when his time expired.

Although the government is constantly considering contingency measures to control prices and incomes, it has always concluded that in present circumstances, such controls would not bring any improvement and on the contrary could be disastrous.

Besides, the American experience in this connection is significant. The main cause of the inflationary pressures facing us is this worldwide unbalance between supply and demand, especially as far as farming products are concerned.

This problem cannot be solved effectively by the imposition of prices and incomes controls in our country. Controls do not encourage an increased production, on the contrary, they often have an opposite effect.

[*English*]

Mr. Speaker, the aim of the long series of government policies has been to encourage an increase in supply through expansion of our productivity in an effort to get to the root of the inflationary problem, to ease the pressure of rising prices on the budgets of Canadian families, particularly those on low and fixed incomes, and to prevent any efforts that may be made to exploit inflation by profiteering at the expense of the Canadian people. These policies are not band-aids, as the Conservative opposition describes them, but carefully selected, co-ordinated and comprehensive policies aimed at best achieving the objectives I have just outlined.

The budget of the Minister of Finance (Mr. Turner) of last February, together with that of the previous May, were designed to contribute in a major way to maximizing the supply of goods produced by our nation and minimizing the adverse impact of worldwide inflation on the Canadian people. The Leader of the Opposition (Mr. Stanfield) chooses to characterize the budget of last February as a "sick joke". I would like to remind the House that when the Minister of Finance forecast in the budget that real growth of the Canadian economy this year would be in the order of 7 per cent, the Conservative leader and members of his party also thought that was a joke.

Cost of Living

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Cape Breton-East Richmond (Mr. MacInnis) rises on a point of order.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on this occasion, as I have on a number of occasions previously, with respect to the reading of speeches. Where the member is reading figures or statistics from a prepared document, that is all right; but if he is reading some nonsense that somebody else put on paper for him, then I think it is time we used the rule that speeches should not be read in this House.

Mr. Turner (Ottawa-Carleton): I rise on the same point of order, Mr. Speaker. I think the hon. member for Cape Breton-East Richmond (Mr. MacInnis) should apply the same rule to the speech made by the Leader of the Opposition.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, may I ask what the Minister of Finance (Mr. Turner) wants me to do for him? Does he want to get up on the point of order that I raised, or does he have some that he wants to raise himself? I am raising the point of order with respect to the speech that is being read now.

An hon. Member: "Respect" is a good word.

Mr. MacInnis (Cape Breton-East Richmond): Thank you; "respect" is. Respect of the rules would mean that he should put aside the paper that somebody else prepared for him, and not read it.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member has raised a point that has been raised many times in this House, and I think it is a valid point. Hon. members are entitled to refer to notes they have made. I think the point is quite valid.

[*Translation*]

The Chair would ask the cooperation of the hon. parliamentary secretary if possible, and suggest that while referring to his notes, he abide by the rules and address the House without reading from a text.

I recognize the parliamentary secretary.

Mr. Comtois: Mr. Speaker, I willingly accept your comments, but allow me to read these few notes in English for the simple reason that I wanted the opposition members to understand what I was going to say. And if members of the opposition want to make speeches in French, I shall gladly listen to them even if they read their speeches.

I should also like to refer to my notes. Of course, the Minister of Finance (Mr. Turner) handed me a few notes in order that I may complete the remarks that he wanted to make. When one wants to quote figures and statistics accurately, it is important to refer to notes instead of saying just anything in the House.

[*English*]

Mr. Speaker, I would like to continue, if possible. The Conservative leader and members of his party also thought that was a joke. They doubled up with laughter when the Minister of Finance warned that there was a risk of the economy overshooting the target and aggravating inflation, a risk that was considered worth taking.

[Mr. Comtois.]

Throughout the course of this year there has been very substantial growth of national production, of jobs and in the real income of Canadians—but the Conservative opposition rejected the forecast of these developments. They proposed a further substantial increase in government spending, further tax cuts costing another $700 million or more, an increase in the federal deficit of 2½ times, with the cash requirement doubling to $4 billion, and a continuing massive increase in the money supply.

For the particular benefit of the Conservative leader, let me outline some of the major steps adopted or proposed by the government over the past 16 months to maximize supply and minimize the impact of inflation.

● (1750)

[*Translation*]

Mr. Speaker, let me proceed with my remarks in French.

Through budget measures we have reduced personnal income tax by the equivalent of 12 to 13 per cent in February and we have also granted a special exemption of $650 to $1,000 to the blind and disabled people. Thanks to all those measures we have increased the so-called week-end take-home pay.

We have abolished the sales tax on all children clothing; we have also abolished the sales tax on soft drinks and food. Moreover, we have abolished the excise tax on certain toilet articles and cosmetics. We have also imposed a temporary reduction in tariffs of roughly $1.4 billion on many products. In addition, by adjusting the equilization formula $190 million have been made available to the provinces which enable them in many cases to reduce their school and property taxes. We have indexed the old age pensions and the guaranteed income supplement since January 1972. In October those pensions will be significantly increased.

In October, the family allowances will be also temporarily raised to $12 a month, not taxable, for each child and, in January, to $20 even though it will be taxable. The Canada Pension Plan will be fully indexed as will be all federal civil servant pensions and others paid by the federal government.

Moreover, several provinces have granted or are considering granting soon a significant increase in their payments for social welfare and it should be remembered that the federal government pays 50 per cent of all social welfare plans in Canada.

We have reduced taxes for manufacturers, thereby creating many jobs, an unprecedented number of jobs during this and last year.

The government established a Food Price Review Board and we hope that it will bring about very good results.

We have imposed temporary controls on exports of beef, pork and a few grains in order to prevent any increase in prices and, overall, a shortage of these products in Canada.

We also increased the subsidy to wheat production from $1 to $1.75 in order to prevent a rise in the price of bread, which was unavoidable. We will pay subsidies of 5 cents by quart of milk to all the provinces that will accept to maintain or reduce the price of milk for a period of at least one year. We asked the oil industry not to increase the cost

of its products before January 30, 1974, except in the event that imports would increase and provided that this step be approved by the Minister of Energy, Mines and Resources (Mr. Macdonald). The government also announced the implementation of a program designed to prevent the rise in prices of oil products in Canada, if the latter were to increase in foreign countries as a result of shortages.

[*English*]

Mr. Speaker, the cost of implementing the measures that were announced in August and September is estimated at $322 million for the fiscal year 1973-74. Taken together, I believe all these measures adopted over the past several months add up to one of the most intensive and far-ranging programs of action adopted by any country for dealing in a workable and realistic way with the kind of inflation we are now experiencing, and moderating its impact on Canadians.

The type of inflation facing us at present is caused by the simultaneously strong demand everywhere in the world for a limited supply of goods. No one country standing alone can turn back that tide. While the Conservative leader wants to assume the vain posture of a King Canute by commanding the worldwide inflationary tides to recede from our shores, the interests of the Canadian people demand that we as a government concern ourselves with economic realities.

As the Minister of Finance has said before, we are doing everything reasonably possible to maximize our own supplies and in the process are increasing national output, employment and incomes, while at the same time minimizing the erosion of incomes of those who stand to be most hurt by inflation.

It is important that we ensure that our rate of inflation in Canada does not exceed significantly that of other leading industrial nations for any extended period of time. That puts a heavy responsibility on all Canadians, individually and collectively, to avoid pressing for excessive increases in prices and incomes in a vain effort to obtain protection against inflation. The result of such a course could only be an accelerating spiral of costs and prices that would intensify inflation, jeopardize Canada's international competitive position and impede the growth in future of production and employment.

We have been down that rocky road before and I do not believe many Canadians want to travel it again. I hope that we Canadians have enough plain, ordinary common sense to avoid that destructive course and, instead, to work together to achieve the goal of a steadily improving standard of living that we all can share.

Mr. Gleave: Mr. Speaker, as it is close to six o'clock, may I call it six o'clock?

The Acting Speaker (Mr. Laniel): Is this agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): It being six o'clock, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

Cost of Living

AFTER RECESS

The House resumed at 8 p.m.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, this evening I wish to address myself to two themes which are one and the same, namely, the production of food and the cost of food, how they are related in this country and what we may or may not do to meet the needs of Canadians. Surely that should be our purpose. Our problems with regard to prices and inflation are related to our supplies of food and whether Canadians are doing what is sensible and logical to meet the circumstances which we face.

The Minister of Justice (Mr. Lang) who is responsible for the Canadian Wheat Board said this afternoon that escalating prices in Canada are due to the international scene. He can say that if he wishes, and thereby avoid the real issue of what we do on the Canadian scene. I listened to the speech of the hon. member for Don Valley (Mr. Gillies). He stated what we should do and outlined the circumstances surrounding the present economic situation in Canada. At the end of his remarks I still did not know what he or his party would do to meet the circumstances which we face.

If we want food at reasonable prices, we should produce more food.

Some hon. Members: Hear, hear!

Mr. Gleave: The Americans have received the message and have changed their policy to all-out production. This has been stated by Mr. Butz, the United States Secretary of Agriculture. This has also been quoted in *Time*, which is like *Pravda* for the present U.S. administration: it is the magazine which tells the official story for the United States, just as *Pravda* tells it for the U.S.S.R.

Mr. Grafftey: Yes, like Watergate.

Mr. Gleave: That is a mess. The U.S.S.R. has its own Watergate, only the details are not published. The article I have referred to reads in part:

> The greatest obstacle to increasing output is not technical but psychological: the farmer's traditional fear that if he grows everything he can, he will only produce a glut that will depress prices.

The article is absolutely right. There is no technical bar to producing all the food Canadians could possibly use, at very reasonable prices.

I want to compare what is being done in the United States with Canada. They have established a policy to pay $2.05 for every bushel of wheat that American farmers produce in the next crop year. They have released all acreages held back as a result of programs to restrict production. In other words, the message is out: All-out production.

What is the Canadian policy? Today the minister in charge of the Wheat Board finally announced a policy which he has been germinating for the past 48 hours, or possibly the past week. I have followed the newspaper releases each day. When I heard him enunciate this policy I thought that he and his advisers must have been in an aircraft headed toward Regina, and while travelling between here and Regina they outlined the policy they

were going to announce on their arrival. It increases or decreases as it goes along.

But what is the policy? For approximately the 10 per cent of Canadian wheat production going into the domestic market they will guarantee a price of $3.25 a bushel. In order for the farmer to get this, he must sacrifice part of the price presently being offered on the international market. Nothing is said about the total production of western Canada. If the farmer produces to his maximum, will he be guaranteed $1.75, $2, $2.25 of any other figure on the total production he may produce for the international and national market? No. This government has given no clear signal to the farmer that they want him to produce the maximum wheat, barley, hogs or cattle for the Canadian consumer. They are dodging and hedging. If the government wanted to serve the Canadian consumer, they would give a clear signal for all-out production.

A ceiling has been imposed on Durum. The farmer has been told he will be paid a certain figure. He has been told he will have to take so much less than the price for Durum on the international markets. The minister said today this was not as much as I had said, that it was only a couple of dollars. It does not matter: That is only a matter of degree; the principle is the same. The government wants to chisel the farmer at one end and the consumer at the other. What conversations have they had with those who produced and processed Durum wheat and its chief product which is Pasta? Unless some commitment is made by manufacturers and processors, the ceiling on the price of Durum is nothing more or less than a gift to those who process it.

In my city of Saskatoon the price of pizza has increased. You will find prices have gone up. What action has been taken to see they are reduced? Precious little. How much of the milk subsidy will find its way into the hands of the farmer and of the consumer, and how much will find its way into the hands of the processor? This rests with the provincial governments. It will depend on how effectively they can deal with those who process milk.

● (2010)

I want to take some of my scarce time to quote from what was said on a CBC program by the United States Secretary of Agriculture. I do so for the benefit of those who sit to my right. When he came to Ottawa on August 2 to confer with officials of the Canadian government, Mr. Butz said:

> I think it was a mistake in the first place to impose ceilings on meat prices. I think our people in the United States have learned a very important economic lesson, and I hope people in Canada have learned the same lesson, that is, in a biological industry you don't get more by paying less.

That is what we did. We tried to get more by paying less, and the net result was that we liquidated our stocks of chickens and were slaughtering pregnant sows. The way to get food at more economical prices is to produce more and guarantee the farmer against price reductions when he does produce greater quantities. That is the real answer if we want more food.

The Minister of Agriculture (Mr. Whelan) and the minister in charge of the Wheat Board have been saying that the price of food ought to be raised to the consumer; that it is about time. The minister in charge of the Wheat Board says the government is sympathetic to those whose wages are low, but those earning higher wages can afford to pay more for the food they buy. They are separating Canadian citizens.

Mr. Speaker, if we want to do something for those at lower income levels, we should see that they are provided with food; that if they cannot afford to buy it they can get it anyway. The food stamp program in the United States makes us in Canada look as though we were a bunch of pikers. They do provide food for those whose incomes are low. They are trying to make sure that people in the United States do not suffer from malnutrition. It is a disgrace that here in Canada, with all the productive resources we have at our disposal, people should suffer from malnutrition. They do. And we do nothing about it except bring in programs which increase the price of food.

Mr. Grafftey: You voted for them.

An hon. Member: They were your suggestions, remember?

Mr. Gleave: All right. You will have a chance to speak when your time comes. Controls have been placed on Durum wheat, bread wheat. I note that neither the Minister of Agriculture nor the minister in charge of the Wheat Board is in his place tonight despite the fact that they raised this question earlier today. Why have they not placed ceilings on soybean prices, since they have placed a ceiling on the price of wheat? The increase in the price of soybeans has been much greater than the increase in the price of wheat. A year ago the price was $3.39 a bushel. As of September 7 it was $10 a bushel. And soybeans are one of the most important sources of protein we have. The government never concerned itself about the price of soybeans, yet the very farmers in western Canada whose wheat is subject to a ceiling are buying soybean meal for their chickens and hogs. No action has been taken to place a ceiling on the price of corn. The price a year ago was $1.50. On September 7 it stood at $2.45. No action has been taken to bring this basic cereal under control.

The government has put into place a feed grain marketing policy and the Wheat Board, which is following that policy, has stated it will no longer use the commodity markets in Winnipeg as a means of setting the price for barley. Officials of the commodity market say that in these circumstances the market will no longer be able to function. What, then, is to be the method of pricing flaxseed, rapeseed and rye? The government has a responsibility to ensure a viable marketing system. It is not discharging this responsibility because the minister in charge of the Wheat Board has failed to make a statement in the House outlining his policy and the way in which it will operate. In my opinion, the reason he has not made a statement is that he does not know what to say.

The present situation is such that I defy anybody to say with certainty whether the Wheat Board is still an independent body or whether it is being dictated to and run by the minister in charge of the Wheat Board and the grains group which sits behind him. It is a serious thing not to know what kind of pricing and marketing mechanism will be in effect. In terms of rapeseed and flax we could find ourselves in the position of contracting sales in

the absence of a posted price. The ordinary producer would have no way of finding out what the price should be. He would be operating from a position of weakness, with no bargaining power whatever.

This is the direction in which we are heading as a result of what the two ministers I have mentioned have done, or are failing to do. And what action does the Minister of Agriculture take? He simply tries to keep a low profile. He tries to keep out of sight while we subsidize to the extent of $1 a bushel every bushel of barley that goes into the market east of the Ottawa River. At the same time, those who represent the Quebec farmers claim they are being overcharged for feed grain.

• (2020)

Somebody is ripping off the farmers of western Canada and the feeders of eastern Canada at one and the same time. We deserve better than this from the marketing mechanism. We did have a good marketing mechanism but it is being destroyed piece by piece by those who should be responsible for it.

I am not going to vote for the motion that has been put before this House because I have no confidence in the people who sit to my right. The hon. member for Battleford-Kindersley (Mr. Horner) said when the feed grain policy was announced that he agreed with it. He is on record in the *Star-Phoenix* as agreeing with the government's policy, which will cost the western farmer $1 for every bushel of barley he sells. The minister of agriculture of Alberta said he had some reservations about it, and I know what his reservations are. His only reservations are that the guys in Quebec are going to get the same deal that he gets, and he wants the guys in Quebec to be shafted.

Why should I support people who refuse to agree to orderly marketing for rapeseed or flaxseed? Why should I support people who are not in favour of orderly marketing for western grains and whose policy is as ambivalent as that of the minister in charge of the Wheat Board?

Mr. Horner (Crowfoot): It is not as clear as yours.

Mr. Gleave: Mine is very clear.

Mr. Speaker: Order. I very much regret that I have to interrupt the hon. member, but his time appears to have expired.

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, if a sample survey were carried out throughout Canada to discover which is the most important problem for the population in every Canadian province, I am sure that we should come to the conclusion that inflation is.

But the other problem we are faced with results from the fact that this government firmly believes inflation to be truly a gift from God. We have a government which, for many months, has been unable to come up with a policy to control prices and incomes.

A number of people have discussed all the ins and outs of these problems, but I repeat that the Canadians who are affected by this inflation resulting from the poor administration of this government are those in the low-income bracket: senior citizens, pensioners, farmers, including those in the east.

[*English*]

It is very rarely, Mr. Speaker, that I put letters from my constituents on the record, but I am forced to put one on from a Mrs. Parker who lives at R. R. 4, Mansonville, Quebec. She writes:

Dear Mr. Grafftey:

Mr. Turner (Ottawa-Carleton): This will be good.

Mr. Grafftey: The Minister of Finance (Mr. Turner) had better listen, because he is not informed about this:

> Just a note to give you an idea how the grain feed prices stand. Oats, barley, wheat are $6.50 per hundred pounds, corn, cracked, $7.20, calf grow, $7, scratch feed, hog grower, laying mash $8. In some cases its a mark up of 100 per cent in the last six months, over-all the mark-up is about 100 per cent over the last year.
>
> **The co-op tells me the brokers are having a heyday. Perhaps** some questions should be asked about the difference between what the western growers are getting and what the eastern co-operatives pay the brokers. It may be a shocker—
>
> Dora S. Parker

If hon. members opposite would pay attention, I should like to inform them that the Leader of the Official Opposition (Mr. Stanfield) has time and time again proposed, among other things, a reserve feed bank for the eastern feed grain farmers.

An hon. Member: We have not heard about that.

Mr. Grafftey: Hon. members have not heard about it because they have not been listening. They do not choose to listen. We proposed in detail how we would come to grips with the problems of the eastern farmer and economic guarantees of the western farmer. But hon. members opposite and to my left just do not choose to listen.

[*Translation*]

I was interested in hearing the leader of the Social Credit Party of Canada (Mr. Caouette) this afternoon. Indeed, it is true that with the leader of my party I made a tour of the Eastern Townships and spoke with Canadians belonging to every political party: Liberals, Creditists and Progressive Conservatives.

An hon. Member: You spoke to our electors!

Mr. Grafftey: Yes, we spoke to your electors who as a result of the poor administration of this government are truly destituted. Such is the case of eastern farmers, pensioners, senior citizens, the real Creditists who would like to see the policy of our leader applied, namely price and income controls, which would be a comprehensive program and policy and I would suggest to the leader of the Creditists to take the opportunity to get acquainted with **the policy of the Leader of the Official Opposition (Mr. Stanfield).**

I am sure of one thing, and that is that the Quebec Creditists do not approve of a Socialist-Liberal coalition. We do not have a minority government at the present time but a real coalition and people in Quebec as everywhere else in Canada will not approve of such a coalition for as long as Canadians remain in poverty.

I would like to say also at this time that I am very glad that the Minister of Finance (Mr. Turner) is in the House tonight because, ever since his appointment, all his forecasts have been wrong.

[*English*]

There is one thing, Sir, that a very simple poll across this country would teach us, and that is that the number one domestic issue facing Canadians today is infaltion—mounting prices. We are faced with a Liberal-Socialist coalition that just refuses to act. We are faced with a government that blames everybody but themselves. They appoint a chairman to some commission, give her $40,000 a year—which surely solves her inflation problem—and who does she blame? Aided and abetted by the government, she blames the people.

I am going to talk about another matter. When prices go up, the Minister of Finance and the Prime Minister (Mr. Trudeau) blame the provinces. In addition, the Minister of Finance likes to blame world conditions. This reminds me, Mr. Speaker, of the little kid in school who never studied for his exams and flunked. But he said, "I'm all right because everyone else flunked, so that's okay." I listened to the hon. member for Don Valley (Mr. Gillies) this afternoon and I must say it is the height of irresponsibility on the part of hon. members opposite to prattle day in and day out in this House about nonsense to the effect that since the rest of the world is not doing too well, we are okay too; that just because everybody else is flunking, we have to flunk too. It is not necessarily true that everybody else is flunking. They have an incomes and prices policy in Australia, and so far as inflation and rising prices are concerned, that country has one of the best records in the world.

● (2030)

How about this continual comparison with the United States? It seems absolutely erroneous to me. We will not necessarily apply in detail or in general the same policies as does President Nixon. There is a big argument, and if the Leader of the NDP (Mr. Lewis) would only listen he would know that we have said time and time again that one of the reasons their controls at one stage did not work is that they lifted them too soon.

Conditions today are not the same as when they applied the controls or lifted them in the United States. I submit to the right hon. Prime Minister and to the Minister of Finance that it is a phony, an erroneous argument and that he is comparing apples with pears. If the minister would just throw aside some of those self-satisfied statements and documents with which he presents us all the time, he would admit to us that he is comparing apples with pears most of the time.

Mr. Turner (Ottawa-Carleton): No, with lemons.

Mr. Grafftey: Why is there a need for a prices and incomes policy? I do not have too much time at my disposal this evening, nor do other members.

Mr. Turner (Ottawa-Carleton): Take all the time you want.

[Mr. Grafftey.]

Mr. Grafftey: The clacks do not want the truth. Why is there a need for a prices and incomes policy? Its harmful effects on the distribution of income within the state and within the world are evident. I have recited its effects on people with fixed incomes, on pensioners and farmers. Its harmful effects on the labour-management bargaining process and on the pricing mechanism of the state are obvious. Its potentially harmful effects on a state's trading policies are obvious.

I wish the Minister of Finance would stop saying that if we had prices and incomes controls they would automatically harm our trading position. They would not, and he knows it. It is an old-fashioned argument that might have been applicable 100 years ago, but is certainly not applicable in contemporary conditions. It is a distortion of economic growth patterns. It has an emotional impact. Once we know that the inflation psychology is rolling, it continues to roll and very few things can stop it. We have said time and time again that a freeze followed by controls is not the be all and end all, but it is certainly something that deserves on its merits to be tried.

Mrs. MacInnis (Vancouver Kingsway): It has been tried in the United States.

Mr. Grafftey: You are prattling the same nonsense as is the Minister of Finance. This is not a comparison. Inflation has become a psychological, social and political problem and no wise government refuses to deal with it as does this government. A wise government cannot ignore excessive inflation as this government has.

The only reason that we have any measures in front of us here this week to at least partially deal with the problem is the rail strike. Because of this government's mismanagement of the rail strike, parliament was recalled. I cannot help but pay tribute to an outstanding Canadian at present not in this House. Under the government of the right hon. gentleman to my right at the time when the hon. Michael Starr held the labour portfolio, we did not have rail strikes. They were properly settled in those days. Mr. Starr got the parties together. Not once under the administration of the right hon. member for Prince Albert (Mr. Diefenbaker) did we have to recall parliament.

Some hon. Members: Hear, hear!

Mr. Grafftey: But we had to recall parliament under the present Minister of Labour (Mr. Munro) because we had piecemeal policies—too little too late. Then the NDP became excited. They said that this will be the big chance to attack inflation because they had been back to their ridings for a few weeks and they heard the people talking. What do we have? We have a few ad hoc, piecemeal measures which satisfy the NDP, but they are easily satisfied by the present government. They will soon see, if we get out of here and go back to the people, that what we have been dealing with in terms of government measures this week and last week will not satisfy the Canadian people.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Grafftey: I note, Mr. Speaker, as I have often noted before, that for five years under the present government we have been setting new unemployment and inflation records. This is simply due to the fact that the present government has no policy regarding prices and incomes.

[*English*]

There is an area of finance or economics. I must make a confession to you, Mr. Speaker; I am not well versed in it—but I will only tell you what the people tell me. The right hon. gentleman alluded to it this afternoon.

Some hon. Members: Oh, oh!

Mr. Grafftey: What has happened in the last four years? The right hon. member for Prince Albert told us that they had a Lift program in the west. They told the farmers not to plant wheat. Within the last three or four years eastern farmers have been put on milk quotas. The government told the farmers three or four years ago to take it easy because we had huge milk surpluses. At the expenditure of millions, almost billions of Canadian tax dollars, the government told the farmers not to grow wheat and not to produce milk products. Three or four years later, I am told by people in my riding that one does not need a college education to determine that we are now faced with skyrocketing dairy product prices and skyrocketing bread prices. What kind of sense is there in such a policy?

Will the government come forth today and express to us and then to the Canadian people what in the world they have been doing in the last five Years? This underlines ably one of the things I have been saying for years about the present economy. The Liberals call themselves socialists not in a hurry, the NDP call themselves Liberals in a hurry, and what we get in this country so often is half socialist, half free enterprise measures that do not work. What is more, the government wastes billions and billions of Canadians' tax dollars. How long will we have to call this a minority government? How long will the people of Canada be faced with this Liberal-Socialist coalition?

Mr. Turner (Ottawa-Carleton): Wait until the next election.

Mr. Grafftey: I cannot wait for it. We are ready.

Some hon. Members: Hear, hear!

Mr. Grafftey: As I have said, the finance minister and then the Prime Minister rise in the House and say that they cannot do anything about wage and price controls that this is a federal state and consultation with the provinces is needed. That is exactly what the Leader of the Opposition has said. One thing that a price freeze will do is to give us the 90 days or whatever is needed to consult with the provinces. What does the government do? They go straight ahead where some people fear to plunge. Trust the present government! What do they do? They apply anti-inflationary measures not within federal powers, without consulting the provinces. The principles and policies to encourage increased food production and reasonable returns to farmers are subject to federal-provincial agreements. They know that.

Cost of Living

The removal of the 2 per cent ceiling on the annual escalation of pensions paid under the Canada Pension Plan is legally subject to agreement by the provinces. They know that. There is no time for consultation. Increased social assistance to the poorest families in Canada is entirely dependent upon the financial ability of the provinces. The 5 per cent subsidy per quart of milk and the equivalent reduction on a package of powdered skim milk would only be paid when and if provincial marketing boards agreed to maintain or reduce the cost of milk for at least one year.

● (2040)

Then we have this situation. The federal government must reach agreement with the provinces and industry to extend pipeline facilities so as to enable Canadian oil to be shipped into Montreal. What a beautiful one that is. It was mentioned last week by the minister. However, it is off again this week. We are told they are backing away. What a silly way for federal government to act in a federal union such as Canada without even consulting the provinces. There is this whole list of things in which consultation is needed if we are to have a reasonable degree of control in this country.

[*Translation*]

This is exactly the position of the Leader of the Official Opposition regarding price and income control. It is obvious.

[*English*]

When all the shouting is over—and I am sure there are some who feel I shout a bit too much—someone will ask: Why an incomes and wages policy? Again it must be repeated that virtually all western economies today have some form of incomes policy. This government will paralyse the economy for the sake of power. We can act in only two ways. One is by using fiscal and monetary policy alone and putting many thousands of Canadians out of work. The present government did that a couple of years ago. I am sure they will not do it again. Then there are fiscal and monetary policies and an incomes policy as advocated by the Leader of the Opposition and this party. Members opposite do not listen, in any event. They know how they are going to vote. Members to my left have decided, and should not even participate in the debate.

In conclusion, let me point out that during the last three days the Leader of the Opposition was in my part of the world. People on fixed incomes, farmers and pensioners came out in their hundreds to tell the government to get things moving. People are suffering because of the government's policy. They told the Leader of the Opposition, myself and the press who were present that inflation and the high cost of living composed the number one domestic issue facing this country. Everywhere we went they had the same thing to say. The right hon. gentleman from Prince Albert alluded to it this afternoon.

What a mockery of parliament it is for the leader of the NDP, before the debate gets under way, to be in such a hurry to support this government. He reminds me of a man who says, "I have made up my mind. Don't confuse me with the facts". Is this a debating chamber, or a rubber stamp? It is a rubber stamp. The young and the old in my riding who have been following public affairs since they

were small say they have never seen a party push to the government so quickly and say, "We are with you fellows" before the debate even gets under way.

What does this mean? It means this is a Liberal-Socialist coalition. It has not been finalized because they do not want to see the leader of the NDP in the same cabinet as the President of the Treasury Board (Mr. Drury).

An hon. Member: No way.

Mr. Grafftey: No way? You are with them every day, in every way. The people of Canada want a wages and incomes policy. They want the government to announce what it intends to do about inflation. They want a government that will act.

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, this House is asked to approve or disapprove of measures introduced by the government to deal with the cost of living. The debate indicates approval of the measures which have been introduced. Therefore, the question surely is related to measures not introduced.

An hon. Member: Who wrote the speech for you?

Mr. Herbert: It is a little homework I did myself. Her Majesty's Loyal Opposition has made clear its position—a 90-day price and income freeze. This will give them the time to consider other measures necessary to control inflation. But the 90-day period has long since expired; so what are the results of these lengthy deliberations? Another 90-day freeze so that the official opposition can continue its deliberations.

Let us be honest. The party opposite has always been and continues to be completely barren of positive, constructive ideas. It is popular at the moment to speak of a price freeze. The cost of food has spiralled and every one of us has felt the effect in our pocket. Many people are being hurt. The government is attempting and must continue to attempt to alleviate this suffering.

The Leader of the Opposition (Mr. Stanfield) referred to the alleged alliance between the NDP and the Liberals. Let us look at that statement for a minute. Anyone who listens to the radio, watches television or reads a newspaper knows what the NDP is suggesting. Their ideas are communicated for everyone in the country to receive and judge. This is logical. They know it would be a miracle indeed for them to be in a position to govern in the foreseeable future. But in a minority government situation they are using their small force in the best manner available to them.

If everyone in the country hears, so does the government. Newspaper reports suggest government agreement with two out of four major NDP proposals. If the old age pension increase from $100 to $105 were introduced solely at the prompting of the NDP, would this make it any less desirable? Did the loyal opposition vote against it? Quite the contrary. The Tory party has supported the measures introduced by the government despite its power to amend, decrease or increase as it wishes.

Even today the opposition motion which is before us is a negative motion and not a positive one. I will come back to the Tory party in a minute, but I wish to direct a few

[Mr. Grafftey.]

remarks to the NDP. I have always respected the left-wing parties for their ideological approach to living and for the honesty of their conviction. Trying to argue against socialism to a socialist is an interesting but seldom rewarding experience. What I have not appreciated is what is, in my opinion, dishonesty in the use of statistics. True, everyone plays the game, but the NDP are directing their statistics at the very people who are likely to be most misled by them.

I refer specifically to recent references to company profits. If company A made a profit last year of $1 million, and this year a profit of $2 million, its profits have increased by 100 per cent. Using just the percentage increase clearly implies that this company is prospering and in fact might be accused of profiteering. However, if this company needs a profit of $10 million to provide a 5 per cent return to its investors, then its profitability position in the current year is almost as disastrous as it was in the preceding year. May I suggest to the leader of the New Democratic Party (Mr. Lewis) that he will lose all remaining credibility if he continues this line.

Let me read an extract from an excellent column by John Meyer in that Tory newspaper, the Montreal *Gazette*. I still read the *Gazette* although its clear intention is the defeat of the Liberal government. Mr. Meyer writes:

● (2050)

The practice of reporting profits in terms of the percentage of their improvement over the preceding period can be misleading. A food store chain, for example, was subject to man-in-the-street interviews by the CBC a few days ago because its profits had doubled. **Individuals were asked at random what they thought of this. Predictably, their replies were extremely critical of the company. The clear implication was they thought it was profiteering.**

What wasn't explained is that in the period with which the comparison was made, profits had been extremely low and, even when doubled, they were still under the accepted level of return. Food store chains are, of course, all the more vulnerable, being held responsible as they so frequently are for this increase in food costs. Some food stores have invited criticism through sloppy tagging of products but they ought not to be so wrongly condemned because their profits are returning to acceptable levels.

The food store chains are the most visible targets, because of food prices, but almost all businesses are vulnerable to uninformed scrutiny, by legislators as well as by the public. Businessmen are beginning to feel the full impact of what has been a common complaint for years, that profits has become a dirty word.

One thing should be abundantly clear: a construction company's objective is not putting up skyscrapers, an underwear manufacturer's objective is not to keep everybody warm, and a food chain's objective is not to abolish starvation. A company has but one objective, that is, to make money. What is there to be ashamed of in that? A man or a group of persons invests in a company and risks the loss of their investment for one reason only, the making of a profit to give them a reasonable return on their investment.

Let me read again from John Meyer's article as follows:

—there has been the sharp rise in manufacturing profits through the first and second quarters but, more often than not, only limited reference to the dangerously low levels from which they rose. Manufacturers had an average profit of 4.2 cents from each sales dollar last year which is still less than that earned in any of the best three years of the sixties and a full cent less that the 5.2 cents on the dollar reached in 1964.

Also speaking in respect of chain stores, so long as we have fierce competition between Loblaws, Steinbergs, A & P, IGA, Dominion and others we do not really need to fear excessive profiteering. These same food chains, by the very efficiency and size of their companies, have materially contributed to stable food prices in the last few years. In concluding my comments to the NDP may I reiterate that a company exists to make a profit. The average man wants to work for a profitable company. Let us not try to continually make "profit" a dirty word.

Let me now dwell for a few minutes on the situation in the United States. We must consider it obligatory to watch and learn from the experience of other countries. The experience of Britain and the United States is surely such that we can learn from their mistakes. The following relevant comments come from the *U.S. News & World Report:*

—American companies are embarked on a vast program of expansion and modernization, placing orders in record amounts for machinery, office equipment, trucks, and new factories and offices. Those demands come at a time when industry is loaded with unfilled orders and when shortages of skilled manpower, materials and productive capacity are spreading. That's a situation, economists point out, that naturally fosters higher prices.

From the same article I read the following:

Around the world, foreign nations, whose economies are booming, are bidding against the U.S. for raw materials that are increasingly difficult to get—copper, rubber and tin, jute and hemp, lead, zinc and iron ore.

Still later in the article it is stated:

—"56 per cent of the over-all wholesale-price index is set in world markets," so that, in a sense, the U.S. is now "importing some inflation" from other nations where pressures under wages and prices are even more intense than there.

The United States is a country of 200 million people. Is there any suggestion that we in a country of just 20 million people cannot be affected by these same pressures? The article continues:

"The poor anchovy catch off Peru has been disastrous"... "If anchovies—an important animal feed—don't show up somewhere (the U.S.) may be in for years on inflation of soybeans."

Let me read additional comments concerning the situation in the United States:

Baby chickens were being slaughtered by the hundreds of thousands by producers who said they would be unable to get enough money for chickens at market weight to cover the rapidly rising cost of feed.

In the next column of the article it is stated:

The spectre of widespread shortages of steaks, pork, chickens and eggs in the months ahead was raised, in turn, by one major American producer of livestock meal. Cost of this basic animal food was said to be rising too high for the processor to sell it under present ceilings.

Processed fruits and vegetables appear to be facing the same price squeeze. Canners are just now starting their packing season, and find prices of raw fruits and vegetables up sharply because of smaller crops caused by bad weather, while retail prices are frozen at last year's level. Inventories of can goods are far below normal because of increased demand.

Later the article reads:

Controls which hold prices below the levels which market conditions would otherwise generate for any sustained length of time are bound to create shortages, and thus the necessity for some means of rationing to substitute for the rationing function normally performed by prices in a free market economy such as ours.

An hon. Member: Maybe they will renew your subscription.

Mr. Herbert: Maybe they will give you one free. Any government of this country that did not avail itself of the experiences of other nations would be negligent to the extreme. The Tory party should now tell us what are those magical measures it would introduce after its 90-day think session. I suggest it would be another 90-day think session.

One answer is clear. One encourages increases in production of all items in short supply. This week we bought 25 pounds of tomatoes for $1. I wish we could live on tomatoes. We were able to buy 25 pounds of tomatoes for $1 simply because there has been a good harvest and an oversupply at the present time. Secondly, we should try to get help to those most in need, the pensioners and those with large families. Help is being provided to the elderly by way of the increase in old age pensions and to large families by the increase in family allowance payments. It is interesting to note that only one-quarter of our old age pensioners draw the full supplement; that is, only one in four over the age of 65 has no income whatsoever. Almost half of our senior citizens have incomes which make them ineligible for supplementary payments. This is a statistic of which the elderly citizen can be proud. For those on welfare, the provinces who religiously guard their jurisdictions are being encouraged to increase welfare payments, with the federal government picking up 50 per cent of the tab.

In housing, I am keenly watching the use that is being made of the various measures introduced by the Minister of State for Urban Affairs (Mr. Basford). Excellent assistance programs for homes for the elderly and low-interest loans for low-income families have been adopted. Is there going to be extensive use of these programs?

I have listened to the tirades of Her Majesty's Loyal Opposition, but I have learned very little.

Mr. Alexander: You have only stolen about 40 per cent of their policies, that's all.

Mr. Herbert: If one thing is needed at the present time, it is emotional control. I believe the government has sensibly avoided responding to what could be termed a popular move—an incomes and price freeze. This in itself has taken guts in a minority government position. The motion before the House deserves a clear and resounding nay.

• (2100)

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I am sure that every hon. member in this House is aware of the fact that we are now engaged in one of the most important and urgent debates we have faced in this parliament. The problems that we are confronting in Canada—and not only in Canada—are such that they require the intensive application of the mental capacities of every member and all other agencies throughout our country. This is necessary if we are to solve this great problem that we have been discussing today, namely, inflation.

It is the inability of the great masses of the people of Canada to obtain, not the luxuries that are available to the

wealthy but the necessities of life, a decent home, adequate clothing and nutritious food, that add up to inflation. We have usually thought of poverty, frustration and despair as conditions of people in the underdeveloped nations of the world. Often we have offered a few dollars to assist them in their quest for a decent standard of living. Canadians are presently faced with the fact that these conditions are becoming a stark reality to an increasing number of our own people who are totally unable to stretch their eroding dollars to get a roof over their heads, clothes on their backs and food in their stomachs.

I suggest, Mr. Speaker, that members of this House should recall one cold day last January—January 12, to be specific. It was a Friday. On that day my leader stood up in the chamber and asked the Prime Minister (Mr. Trudeau) what he and his ministers were planning to do about the tremendous rise in the consumer price index. In particular, he asked the Prime Minister if he had instructed his ministers to prepare a series of interim emergency measures to halt or at least reduce the erosion of Canada's purchasing power. The Prime Minister's reply is recorded at page 227 of *Hansard* as follows:

> If the leader of the opposition is thinking about price and wage controls, the government has already stated its position on that question, that we have contingency plans which we will bring into action if necessary but that we would give no advance notice if we were going to do so.

If hon. members care to check the *Hansard* index under the heading "Price and Wage Control—Contingency Plans" they will find 21 other references to those contingency plans between January 12 and June 6. The index ends there, but I am sure if we had a recent one we would find more references to those contingency plans.

I wonder what the government is really trying to do. What are the contingency plans? What is it that they have been keeping up their sleeve to bring out in the case of an emergency? I would suggest that if we have not reached a state of emergency at the present time, then my understanding of the word "emergency" is rather uncertain. I believe today, Mr. Speaker, that the government is endeavouring to fool the people of Canada into believing that it is responsible and competent while it knows right well that it has failed to deal with the problems and has proven itself both irresponsible and incompetent.

Some hon. Members: hear, hear!

Mr. Patterson: As for the contingency plans, Mr. Speaker, I would suggest that the government does not have any. They are mythical plans. In this respect, I am reminded of the words of a popular song of not so long ago. The writer could very well have been the Prime Minister, and the singer possibly the Minister of Finance (Mr. Turner). The song goes like this:

> Don't be afraid; it will not harm you. It's only me pursuing something I'm not sure of; across my dreams with nets of wonder I chase the bright elusive butterfly of love.

Mr. Turner (Ottawa-Carleton): That is beautiful.

Mr. Patterson: I would suggest that these nebulous contingency plans that the Prime Minister keeps referring to are even more elusive for the Canadian people than the "elusive butterfly of love" in the song.

Here we are, in the middle of the month of September, nearly nine months after the Prime Minister's first reference to these contingency plans, and the government has failed to produce anything. The government may have laboured during those nine months, although this is questionable, but the fact is it has produced nothing. Prices continue to rise at an unprecedented rate. The government's $40,000 a year Beryl Plumptre tells the people of Canada that they do not need to buy food, and the House of Commons giant killer, the leader of the New Democratic Party (Mr. Lewis), seems to have difficulty in bringing his own group to the point where they are prepared to exercise their responsibility and show by their actions what they have been saying for months and months, that this government does not deserve the confidence of the Canadian people.

Some hon. Members: Hear, hear!

Mr. Patterson: Note what one columnist wrote concerning this situation. In the Montreal *Star* of August 15, W. A. Wilson quoted one deeply despondent Liberal who is, he tells us, a figure of consequence in the party. Referring to the hon. member for York South, this renowned Liberal said:

> He can't put up with us much longer if he wants to survive himself. He'd be better off to kick us out and pick up the Liberal votes in Ontario especially.

Then Wilson writes:

> —with a sudden outburst of bitterness, this great Liberal exclaimed, "This is not an accident—it's just drunk driving."

There we have it, Mr. Speaker. It was on the same day last January to which I referred earlier that my colleague the hon. member for Prince Edward-Hastings (Mr. Hees) told the Prime Minister that it would take months and months for the government to bring the problem of increases in food prices before parliament in any meaningful way. What was the Prime Minister's answer? He said:

> No, it will not take months if the opposition has a clear position on it, which is doubtful.

Now, Mr. Speaker, it appears that the Prime Minister does not have any answer to the problem. He is looking for the answers. I would suggest that the leader of my party has set out in very clear terms what we believe and what we are convinced would take us at least on the road to a constructive solution to the problems facing the country at the present time.

Some hon. Members: Hear, hear!

Mr. Patterson: Every sector of the nation is reeling under the impact of spiralling prices, but most of all those on fixed incomes and those on pensions. I do not know what one hon. member was trying to prove today when he spoke about senior citizens being well taken care of, and so on. If we listen to the pleas that come to our ears and read the letters that come to our desks, we find that the senior citizens are facing problems they have never faced before. It seems that even though increases thave been granted, they are not keeping up with the increasing cost of living. We think of those on fixed incomes who find it

almost impossible to make ends meet and to put on the table food sufficient for the needs of themselves and their families.

Many Canadians who were industrious and thrifty in their working years and made some preparation for their retirement years now find that what they thought was some security is only enough to keep them from benefiting from the various programs now instituted to care for those who were unable, for various reasons, to make any provision for the future. The understandable soliloquy of some of them is, "We might as well have spent it as we earned it, because we are no better off than those who are fully dependent on assistance programs".

Why is this? It is because the government has allowed the dollar to depreciate to the point where it bears no relation to its former value. The low-income families, the working poor, are bearing the brunt of inflation. The nation has just experienced a crisis as a result of actions by a group of individuals who, as a result of insecurity, frustration and despair withdrew their services as they fought a losing battle against the galloping increases in the cost of living which were not offset by even a corresponding increase in wages, let alone provisions which would enable them to participate more fairly in the higher standard of living enjoyed by many others in the community.

• (2110)

The middle-income group is finding that what was an income sufficient to meet their basic needs and to assist in contributing to the general well-being of the community has been reduced to the point at which it can barely maintain them in decency. To many of them, the hope of paying for a home has become an illusory dream. Every sector of our economy and of our society is reeling under the impact of the inflationary spiral.

Many letters come to our attention. Allow me to refer to one lady who wrote to me about her problem in meeting the situation and in endeavouring to cope with the increased cost of living. This woman pleaded for action and asked me if I would make xerox copies of her letter and give a copy to everyone in parliament. I appreciate her zeal. I did not do that as I realize every member of parliament gets such letters. She is representative of a host of our citizens who do not know which way to turn. So I urge the government to be serious on this issue. The food prices spiral is crucial and there are plenty of examples to show that.

What about interest rates? We have had four increases in the interest rate on mortgages since the beginning of this year. Think, also, of the price one must pay for gasoline. Every two or three weeks the price of gasoline goes up two, three, four or five cents a gallon. Four months ago in Ottawa one could buy regular gasoline for 39 cents a gallon. Now you cannot get a gallon of regular gasoline for less than 54 cents. That is about a 38 per cent increase in four or five months. One could go on with such examples but I think I have said enough.

On Tuesday, September 4, my leader, commenting on the Prime Minister's ineffective plan to combat inflation, referred to the Minister of Finance and his budget proposals of February 19. My leader said that the proposals really were a sick joke. Many things which have happened as a result of government action or inaction constitute sick jokes which have been perpetrated on the Canadian people.

The Prime Minister announced on September 4 that further government wheat subsidies would forestall a further price increase of about five cents a loaf in October. Within only a few hours of the Prime Minister's statement, sources in the milling industry were hinting that bread prices would go up anyway. The Minister of Justice (Mr. Lang) who is in charge of the Wheat Board admitted only a day or two later that no agreement had been made with the milling or bakery industry. The two ministers should get together and make sure which story they want to tell the people of Canada.

Then the statement was made regarding gasoline prices and within hours of the statement the price of gasoline had jumped by three cents a gallon at a set of pumps not more than five or six blocks from this chamber. In Montreal, on Friday, just three days after the Prime Minister announced his controls, the Union of Retail Gas Merchants voted to raise their price by three cents a gallon. So we can see how effective—I use that term advisedly, although perhaps I should say "ineffective"—government statements or controls have been in this particular case. The leader and other members of my party have indicated clearly the position that ought to be taken if these problems are to be resolved.

There has been much discussion and controversy over the suggested freeze of prices and wages followed by a period of selective controls where required. The speaker who preceded me pointed out that the implementation of controls similar to those of the United States would not bring beneficial results. I suggest that according to statistics as of January, 1973, inflation in the United States had been reduced to an annual rate of 3.7 per cent and the accelerating trend in wage increases had been halted and even reversed slightly. In addition, these results were achieved while unemployment decreased from 6.1 per cent in August, 1971, to 5 per cent in January, 1973, and output growth advanced from 2.7 per cent in 1971 to 6.5 per cent in 1972. I think that is a better record than this government has been able to achieve.

The Food Prices Review Board must be given some power immediately.

Some hon. Members: Hear, hear!

Mr. Patterson: This must be done if there is to be a solution to the problem of increasing prices. It is interesting to hear the cries of the party to my left, as just the other day the hon. member for Vancouver Kingsway (Mrs. MacInnis) proposed a motion under Standing Order 43 to give the board some teeth, including the power to roll back food prices. As well, the leader of that party has very quickly made an about-face and in the last couple of weeks has been crying for similar action. Where were they some time ago when their voices were needed in order to implement a program such as this? They were determined to sustain in office a government that was not committed to the program they wanted. It seems that they are satisfied with very little on a great many issues in order that they may swing their vote behind the government and

retain it in office. Apparently they have changed their view; they have repented. Possibly a deathbed repentance is better than no repentance at all.

So, Mr. Speaker, one wonders, as one remembers the steps taken by the Prices Review Board in sending out these gentlemen, or ladies, as the case may be, across the country to investigate, if that action is to be any more effective than other actions the government has proposed up to the present time. I doubt very much that these results will be very much better. So as we look at the situation I say that the Canadian people, surely, have a right to expect more from this government and from the $40,000 a year girl and others who have been engaged to help her in this particular matter.

May I suggest that if there ever was a time when a motion of non-confidence was appropriate, it is the present time. I wish to read the motion into the record. The leader of my party moved:

That this House has no confidence in the adequacy of government measures to deal with the cost of living as such measures were announced to the House by the Prime Minister on September 4th, 1973.

I suggest that the motion is worthy of support by all members of the House, including Liberals. Surely all those in the opposition parties will support the motion, because I believe the people of Canada expect action now.

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I listened to the remarks of the hon. member for Don Valley (Mr. Gillies) this afternoon and I think he showed a peculiar, a curious conceit in suggesting that those who disagree with the motion are those who support a policy of no action at all. I want to make it clear that my quarrel with the motion moved by the Leader of the Opposition (Mr. Stanfield) is a substantive quarrel based on a very serious disagreement about the substance of the proposals put forward.

● (2120)

I am frightened when I hear people who know so little cheer so loudly for a policy. When I hear them speak in the House, my fears of their ignorance are verified. I am not impressed by a party whose members in the House of Commons are of and speak for the business and professional and better-off groups in the community—who are themselves, as I suspect most of us are, in the top 1 or 2 per cent of the income groups of this country—calling for incomes policies and wage controls. Well they might, Mr. Speaker; they have made it. My concern and the concern of my party is for many other millions of Canadians who have been treating each other fairly in the marketplace and neither deserve nor need to be controlled.

My leader and the hon. member for Saskatoon-Biggar (Mr. Gleave) have presented some aspects of the policy which our party believes is the answer to many of the problems of rising prices. We talked about fair incentives to the farmer greatly to increase the supply and production of food. As the hon. member for Saskatoon-Biggar said, surely that is the basic and best approach.

On many occasions we have advocated that the Food Prices Review Board be given teeth. It should not only be given the power of investigation, which it has, but power to impose cancellations or roll-back of price increases which are unjustified by the facts. I was interested to hear the hon. member for Fraser Valley East (Mr. Patterson) say the same thing. Perhaps he does not know that in another place last Thursday his party voted against such a motion moved by myself.

We called for subsidy programs to assist those on low and fixed incomes. We are modestly gratified to see the government has brought forward some programs along that line. We have called for controls on supplies and production of energy resources in this country. Although it is not entirely clear, it appears the government is moving in that direction. Our policy might well be summed up as favouring selective controls where they count, not indiscriminately across the board. There should be a prices review board with real teeth, assistance for those on low and fixed incomes and a program of supply management for food and other scarce commodities.

Reference has been made today to the types of inflation from which this country has been suffering. I commend to all members of the House, particularly those of the Conservative party, an article in the *Globe and Mail* by a distinguished Canadian economist, Vincent Blader. I do not, in the limited time at my disposal, intend to quote from the article. But he does point out that the kind of inflation to which wage and price controls would apply is not the kind we are predominantly suffering from at this time. I suggest the hon. member for Don Valley could do well to read that article.

It is apparently considered unfair and unrealistic to suggest the inflation we suffer from in Canada is related to worldwide problems. I wonder if members of the Conservative party are aware of the world commodity index published in *The Economist* two months ago which points out, among other things, that the index of food prices worldwide rose more in one year, between June 1972 and 1973, than in all the years from 1972 back to June 1949. That is perhaps cold comfort when we are talking about Canadian policies, but I suggest it is somehow not unrelated to the problems we are discussing today.

The hon. member for Don Valley seemed disappointed that members of this party insisted on dragging into the debate experience in other parts of the world. I suggest that experience is very real. The hon. member suggested the experience in the United States with price and wage controls was not sufficient evidence that we ought not to proceed with them. Well, we have to take our experiences from where we can find them.

There are two countries in particular currently pursuing policies of price controls. One is the United States, to which reference has repeatedly been made. That has not been an experience which would fill this House of Commons with assurance that it should be followed in this country. Second, there is the experience in Great Britain. I think it is instructive. The members of the Conservative Party urged the Prices Review Board to study prices and wage controls in other countries. They did so in Britain. I quote from a document produced last week as a result of that study:

Many statistical studies have been made which have sought to estimate the divergence between actual wage and price movements and those which would have occurred in the absence of the

policy. The results—though differing somewhat depending on statistical techniques used—suggest at times a short-run small positive effect, at times a short-run small perverse effect, and at other times no discernible effect—

The same document notes:

Despite the freeze, the food price index rose by about 9 per cent between November 14, 1972, and April 17, 1973, and is continuing to rise rapidly—

In the identical period the food price index in Canada, in the absence of any controls, rose by 8 per cent. That is not an excuse for the 8 per cent but it seems to be a useful comment to make about price and wage controls.

The hon. member for Don Valley twitted the government and this party for changing its mind from time to time. When last speaking on this subject I quoted from a document with which the hon. member had something to do. I want again to quote from that document because it is the most serious and objective study on wage and price controls ever undertaken in this country. It was undertaken by a Senate committee of which the hon. member was study director. I quote:

—the lengthy historical track record of direct controls and income policies is, on the whole, very bad. They have had a particularly nasty habit of letting down those who trusted in them just as inflationary pressures were mounting to their peak. They are often spoken of as though they were the ultimate, completely dependable weapon against inflation—one that governments can always use effectively if they dare. But the record suggests, on the contrary, that they are no such thing—

It is clear that to use the controls suggested by the hon. member for Don Valley would amount to nothing more than a futile attempt to sit on a lid that is bound to come off. I suggest it beggars credulity for the hon. member for Don Valley to say that because they are doing it in other countries, notwithstanding the evidence of his own study we should do it here.

Some hon. Members: Hear, hear!

Mr. Grier: It is all very well to call for action to protect the inflation expectations. I am not so sure that all forms of action necessarily have a therapeutic effect. If someone has a headache, you do not remove his appendix. Freezes and controls are being suggested as a means of breaking inflationary expectations. If the Tories are so concerned about those expectations, why have they refused to support giving the Prices Review Board the teeth to break those expectations?

Those who advocate price controls should know that, by their very nature, in a free society controls can only be maintained at best for a brief period of time. One member said the trouble with the American program is that they had to relax the mandatory controls. The reason was that the American people demanded that the controls be relaxed. I suggest it is folly to suggest mandatory controls will be acceptable in this country for the period of time suggested by the Leader of the Opposition.

The Tories have twitted this party about the way it is going to vote on this issue. I remember a time not very long ago, maybe ten years, when the Tories sat across the way with a minority government. They were looking for support and they were not too fussy where they got it. Before they start making moral judgments on the votes of others, they should remember when they were in that position. This debate is more of a political opportunity for them than a serious effort to deal with the problem.

Some hon. Members: Hear, hear!

● (2130)

Mr. Grier: I do not see why I, as a member of parliament, should give them the opportunity which the people of Canada denied them last October. I am not here to do a job for the Tories. They can do their own work.

An hon. Member: You are doing a job for the Liberals.

Mr. Grier: I am here to do a job for the Canadian people who sent me to parliament.

Some hon. Members: Hear, hear!

Mr. Grier: A few taunts from the Tories will not detract me from this purpose. We are satisfied that as a result of our efforts in this chamber, the Canadian people have been presented with more useful legislation that would have been the case had either of the elderly parties been given a majority. I realize it is almost impossible to persuade the Tories, or perhaps even the media, that our motives in this debate have something to do with the real issue. Nevertheless, I assure you, Mr. Speaker, that our concern here is to do a job to arrest inflation and not to play politics with a proposal the very advocates of which do not know its implications.

Mr. Fred A. McCain (Carleton-Charlotte): If I might be permitted, Mr. Speaker, I should like to continue the analogy of ten years ago which was used by the hon. member who preceded me in this debate. My reading tells me that the opposition of that day voted against the government because of political conviction in what they considered was the best interests of the policy they had supported as a party over a period of years. They did not hide behind any excuses for their vote on that day; the voted for Canada and their political convictions which is more than those on the extremely left of the House can claim at this time.

Some hon. Members: Hear, hear!

Mr. McCain: I am particularly concerned in this debate with the economics of agriculture because it seems to me to have been one of the items on which great emphasis has been placed by the government. I wish to start by recalling a meeting which I attended and at which the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) appeared as minister of agriculture in support of the Conservative party some ten or more years ago. He enunciated a philosophy at that time which was that this world of ours had advanced in its quest for a decent standard of living at a pace never before known in history. And this included food. He predicted that there would be in this world in the foreseeable future a shortage of protein and a shortage of carbohydrate.

It therefore becomes contingent upon any party in Canada to encourage agriculture in its production, to guarantee that it will come to its aid in times of overproduction and make agriculture one of the main forces of this country once again, as it once was. The hon. member

went on to say there would be occasional surpluses in agricultural production, but that scientific preservation of food and new processes which had been introduced made it possible for mankind to preserve those surpluses for distribution when and where required. If you will produce it, said the minister of that day, the private marketing forces of Canada can sell it, and if they cannot, the government will come to their aid. We were looking at a long-term requirement.

I might say, Mr. Speaker, that this speech was delivered in a constituency part of which is now the constituency of Madawaska-Victoria. During the last ten years agricultural production in that area has dropped almost 20 per cent under the administration of the government. I might say, also, that the hon. member for Madawaska-Victoria (Mr. Corbin) was not elected to this House in 1972 on the basis of the agricultural policies of the present government.

There has been a very distinct change in the policies of government during the ten years I have mentioned. In 1971 the minister of agriculture addressed the Canadian Horticultural Council at its winter meeting. He said at that time that the government of the day stood for cheap food. He also told the farmers that if they could not exist in the face of world competition as the cheapest source of supply of any given food demanded by Canadians, they would have to suffer the economic consequences. If you cannot become efficient enough to compete, he told the farmers, then you shall go broke.

This was in contrast with the policy of the Conservative Party which recognized that Canadians were dependent, first, upon a local supply of food and, second, upon the importation of food. They designed a structure for the protection of the Canadian producer containing a flexible duty set-up against the influx of dumping of food by any means by any country where there was a surplus. In contrast to this, when food arrived from foreign countries in competition with the Niagara peninsula and was dumped at disastrous prices, no dumping duty was imposed.

What happened? Peach farmers did not set out additional peach trees. Production declined. When apple juice was dumped on this continent, with Canada as the gateway to the southern markets of the U.S., no dumping duty was imposed though no country in the world could produce apple juice at the price at which it arrived. It had to be dumping; it had to be subsidized shipment because it scarcely covered the cost of freight, let alone the cost of production. But apple producers were not compensated under any program of government. They were told, instead, "We have a cheap food policy; you suffer it out, boys." So the producers did not plant more trees. They did not renew their orchards. The decline in apple production will become more evident as the years go on as a result of the neglect of that situation.

When the potato industry found itself in world competition, in pursuance of which governments around the world subsidized the shipment of potatoes to traditionally Canadian markets, the minister of agriculture said, "I'm sorry. We can't help you. We can't take your surpluses off the market because it might cost the consumers a few dollars. We might take off too many and the price might go up." Well, Mr. Speaker, the production of potatoes went

down again by almost 10 per cent from 1971 to 1972 and it would have been much cheaper for the consumer to have had the production of 1971 to market through the 1972-73 seaon. This is economic mismanagement in the most unforgiveable fashion because it abuses every man who works on the farm and every consumer who eats a bite of food. Across the board, it has been a most short-sighted policy.

If the government had taken a look at the graphs in respect to farm income, it would have found that it was declining at just about the pitch of Niagara Falls. If the government had taken a look at the cost of input of agricultural requirements, it would have seen an incline similar to that of Mount Everest. And as the net income of farmers declined, the exodus from the farms began to accelerate with the aid of the task force on agriculture. This was the task force which recommended the removal of two-thirds of the farms in agriculture today, to be completed by 1980.

Tell that to the consumers, because that is the very policy which also contributed to the shortage of food. That is part of the policy which contributed to the shortage of potatoes in Canada in the middle of May, though the supply would ordinarily have lasted into July. Do you think, Mr. Speaker, that anybody in the House should vote for economic idiocy and blindness of this nature? As production declined, prices were bound to rise as supplies also declined.

• (2140)

Instead of having ARDA—and I use this as a comparison—we had the imposition of a plan upon the Canadian farmers which retired land from agriculture in a mandatory fashion. They either bought land and retired it from agriculture, or they rented it and put it out of production in agriculture, a combination which could not help but eventually arrive at the store counter where the consumer would suffer as the farmer had suffered.

The economic management was like a planned disaster. The capital position of the farmers declined almost annually for ten consecutive years under Liberal management. While part of that capital loss has been replaced in the last crop year, there are farmers who will be paying income tax on the money they pay for mortgages for the next 20 years to come as a result of the financial mismanagement of this government.

I say to those to our extreme left, many of whom come from agricultural areas, that if they vote in support of this government's economic management in agriculture, if they vote in support of this government's consumer prices, then their vote is diametrically opposed to all of the principles they have ever enunciated.

There is a reptile, I am told, which sheds its skin on an annual basis and then turns around and swallows it so as to leave behind no trace of its presence. It could very well be that the only trace of the party to our left, if it continues to move in its devious ways, may be the echoes which may still be vibrating through the canyons of this country.

Some hon. Members: Hear, hear!

Mr. McCain: I grant you, Mr. Speaker, there is an element of food shortage on a worldwide basis; there is no question of that. But it has been precipitated by Canada's participation in an idiotic food policy and perhaps that of other countries in the western hemisphere. But the government of this or any other country is supposed to be capable of analysing internal problems and predicting the outcome of its policies.

A casual glance at the graphs of this country indicate that there was a meeting of the ways wherein the food supply would not meet consumer requirements. This has been shaping itself for the biggest part of the last ten years under Liberal management of the economy in the food world. It came to the point where we had a Food Prices Review Board. These two parties, which undoubtedly will again vote together tonight, began to embark upon a witch-hunt to find out whose fault it was. Was the food shortage the fault of the producers, the processors, the wholesalers or the retailers?

Statistics were placed before the food prices committee which showed that agriculture was a poor economic opportunity, that processing was less than average in its profit picture in Canada, and that wholesaling and retailing had the small end of the profit margin in regard to dollars turned over and capital invested. So you might say that from the sod to the cellophane, agriculture was a very poor place in which to invest money. In a vain effort to lay the blame anywhere but on itself, the committee embarked upon a witch-hunt led by the Liberals and the NDP. I submit that in the agricultural policy that this government has followed, the witches are on the opposite side. They ran a collision course with reality, and as a result the consumer has paid in an undue and unnecessary fashion.

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

[*Translation*]

Mr. Matte: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Laniel): The hon. member for Champlain on a point of order.

Mr. Matte: Mr. Speaker, without reflecting on your sense of justice and fairness, and in all deference to the Chair, I wish to point out that it had been mentioned to Your Honour at the beginning of the afternoon that three or four members of our party wanted to speak in this debate, but unfortunately only our party leader has been recognized.

The Acting Speaker (Mr. Laniel): Order, please. I very well understand the point raised by the hon. member. If he will look at the representation of the various parties, he will realize that the Chair—not necessarily I, but also those who chaired the sitting today—has tried to be fair and to balance things. At any rate, the Chair tries in general in each debate to allocate in all fairness the time allotted to hon. members.

Order, please. It being 9.45 o'clock, it is my duty, pursuant to Standing Order 58(9), to interrupt the proceedings and to put forthwith every question necessary to dispose of the motion before the House.

[*English*]

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

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

(*Division No. 39*)

YEAS

Messrs:

Alexander	Hamilton (Swift Current-Maple Creek)	McCleave
Alkenbrack	Hargrave	McGrath
Andre	Hees	McKenzie
Arrol	Hellyer	McKinley
Atkey	Higson	McKinnon
Baker	Hollands	Mitges
Baldwin	Holmes	Morgan
Balfour	Horner (Crowfoot)	Muir
Bawden	Horner (Battleford-Kindersley)	Munro (Esquimalt-Saanich)
Beattie (Hamilton Mountain)	Howie	Murta
Beatty (Wellington-Grey-Dufferin-Waterloo)	Hueglin	Neil (Moose Jaw)
Bell	Hurlburt	Nielsen
Blenkarn	Jarvis	Nowlan
Carter	Jelinek	O'Connor
Clark (Rocky Mountain)	Kempling	O'Sullivan
Clarke (Vancouver Quadra)	Knowles (Norfolk-Haldimand)	Paproski
Coates	Korchinski	Patterson
Cossitt	Kuntz	Reilly
Danforth	Lambert (Edmonton West)	Reynolds
Darling	Lawrence	Ritchie
Dick	Lundrigan	Roche
Diefenbaker	MacDonald (Egmont)	Rynard
Dinsdale	MacDonald (Miss) (Kingston and the Islands)	Schellenberger
Ellis	MacInnis (Cape Breton-East Richmond)	Schumacher
Epp	MacKay	Scott
Fairweather	MacLean	Skoreyko
Forrestall	Macquarrie	Stackhouse
Frank	Marshall	Stanfield
Fraser	Masniuk	Stevens
Gillies	Mazankowski	Stewart (Marquette)
Grafftey	McCain	Taylor
Hales		Thomas (Moncton)
Haliburton		Towers
Hamilton (Qu'Appelle-Moose Mountain)		Whittaker
		Wise
		Woolliams
		Yewchuk—102.

Cost of Living

NAYS

Messrs:

Allard
Allmand
Andras
Barnett
Basford
Béchard
Bégin (Miss)
Benjamin
Blais
Blaker
Blouin
Breau
Brewin
Broadbent
Buchanan
Caccia
Cafik
Campbell
Caouette (Charlevoix)
Caouette (Témiscamingue)
Caron
Chrétien
Clermont
Comtois
Corbin
Corriveau
Cullen
Cyr
Davis
Demers
Dionne
Drury
Dubé
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Fortin
Foster
Fox
Gauthier (Roberval)
Gauthier (Ottawa East)
Gendron
Gleave
Godin
Goyer
Gray
Grier
Guay (St. Boniface)
Guay (Lévis)
Haidasz
Harding
Harney
Herbert
Hopkins
Hymmen
Isabelle
Jamieson
Jerome
Knight
Knowles (Winnipeg North Centre)
Lachance
Laflamme
Lajoie
Lalonde
Lambert (Bellechasse)
Lang
Laniel
Laprise
La Salle
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lefebvre
Leggatt
Lewis
L'Heureux
Loiselle

Messrs:

MacDonald (Cardigan)
Macdonald (Rosedale)
MacGuigan
MacInnis (Mrs.) (Vancouver Kingsway)
Mackasey
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mather
Matte
McRae
Morin (Mrs.)
Munro (Hamilton East)
Neale (Vancouver East)
Nelson
Nystrom
Olaussen
Olivier
Ouellet
Pelletier (Hochelaga)
Pelletier (Sherbrooke)
Penner
Peters
Portelance
Poulin
Railton
Reid
Richardson
Rompkey
Rooney
Rose
Roy (Timmins)
Roy (Laval)
Saltsman
Sauvé (Mrs.)
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stanbury
Stewart (Okanagan-Kootenay)
Stollery
Symes
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Watson
Whelan
Whicher
Yanakis—129.

● (2210)

Mr. Speaker: I declare the motion lost.

At 10.15 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday September 11, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

SUGGESTED LEGISLATION TO COMPEL USE OF AUTOMOBILE SEAT BELTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in view of the continuing increase in automobile fatalities and injuries in Canada and the fact that through the introduction of legislation in other countries making the use of seat belts compulsory these same countries have experienced a 20 per cent reduction in automobile fatalities, I would move, under the provisions of Standing Order 43, seconded by the hon. member for Hamilton Mountain (Mr. Beattie):

That the government implement forthwith legislation compelling the use of seat belts by both driver and passengers in private automobiles.

Mr. Speaker: The Chair will inquire whether there is unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

[*Translation*]

AIR TRANSPORT

TABLING BY MINISTER OF STATEMENT ON NEW AIR ROUTES TO UNITED STATES AND CUSTOMS PRECLEARANCE

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, due to the deep interest shown in Canadian-American negotiations for the establishment of new airline routes and privileges of customs preclearance, under Standing Order 41(2), I have the honour to table two copies in French and English of the public statement that I will make this afternoon.

[*English*]

Mr. Mazankowski: On a point of order, Mr. Speaker, I draw your attention to the fact that I believe the minister, in doing what he has just done, has in my opinion seriously breached the traditional practice of the House. This statement is of great magnitude from the standpoint of both the economic policy of this country and, indeed, the future of transportation, and it is customary for documents of this nature to be presented in advance to the opposition parties so that opposition spokesmen can respond adequately. In my opinion, what the minister has now done is a deliberate affront to parliament and the people of Canada and I do not think his action should be condoned.

Some hon. Members: Hear, hear!

Mr. Mazankowski: I understand that the minister has called a press conference for this afternoon. I believe that the only reason for his doing so is to maximize the political benefit from his statement as much as possible.

Some hon. Members: Shame!

Mr. Mazankowski: Although this policy may be consistent with the practices of the government— I could cite many examples—and consistent with the practices of this minister who has denied the Standing Committee on Transport and Communications the right to examine the Canadian National and Air Canada reports, I do not believe any member of this House has any excuse for allowing this to take place.

I do not want this point to go unnoticed. I believe that the minister's action has created a situation which is not conducive to the traditions of the House nor to its orderly functioning. I would humbly submit to the minister through you, Mr. Speaker, that he request the House to revert to motions some time later this day so that spokesmen for the opposition parties can have an opportunity to comment on the matter.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in a few brief words I should like to support the point of order raised by the hon. member for Vegreville (Mr. Mazankowski). As Your Honour is aware, this is a point that has been raised a number of times. On most occasions Your Honour has found our objections not valid. On most occasions you have found that the kind of document that a minister was seeking to table under Standing Order 41(2) was proper under the terms of the order itself, but on at least one occasion, when our friend of former days, the Hon. E. J. Benson, sought to table what was in effect a press release, Your Honour found otherwise. I therefore wonder—I can only wonder because I have not seen the document; perhaps Your Honour has—whether this one does not come within the category of a press release rather than a report or a government paper. In that respect I wonder whether it would not be better, since we are still on motions, for the minister to read the statement to us and then hand it to the press conference at three o'clock.

Air Transport

● (1410)

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I would like to comment quite briefly on that point or order. In my opinion, the hon. member has raised a point of order which also seems difficult to me.

There is no formal agreement between . . .

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): Mr. Speaker, I listened to the hon. member a while ago; he can extend the same courtesy to me and after having heard my remarks, he may get angry if he wants to. In any event, I merely say that there is no formal agreement, but only a report drawn up by the head of the Canadian delegation in Washington. The two parties have formally agreed to keep quiet until today but that an announcement would be made in Washington and in Ottawa.

I merely wanted, with all due respect for this House, to table the report in the House before meeting the press.

[*English*]

Mr. Baldwin: Mr. Speaker, it is so seldom this government has anything of substance to lay before the House that we think they should do it in the proper form.

Some hon. Members: Hear, hear!

Mr. Baldwin: In most cases, members of the opposition extend to the government the courtesy of accepting the fact that when ministers attempt to table documents under Standing Order 41(2) they constitute documents falling squarely within the terms of the Standing Order. However, in the present circumstance, we are not prepared to do so now. I suggest that Your Honour should be entitled to examine the document and that we should be entitled to do the same. We are not prepared to accept that it is "a report or other paper dealing with a matter coming within the administrative responsibilities of the government." We do not have to accept the minister's statement. We are entitled to see the document, read it and examine it. Only under those conditions will we be prepared to give our consent.

In order to have this matter handled in the best parliamentary tradition, I plead with the minister, who made a very good speech the other day, to fall into the pattern, become a good parliamentarian and handle this matter the way a member of parliament, especially a minister, ought to handle it, by making a statement on motions and allowing members, on this side of the House to answer and deal with it. That is the way it should be done. I urge the minister to consider withdrawing the document and making a statement on motions. I am sure he will have unanimous consent to do so.

Mr. Speaker: As hon. members know, documents can be tabled in the House under the terms of Standing Order 41(2) and statements can be made under the terms of Standing Order 15(3). We have had similar incidents in the past. There is the precedent to which the hon. member for Winnipeg North Centre alluded. The ruling made by the Chair at that time was that you cannot have a combination of both whereby a minister attempts under Standing Order 41(2) to table a statement which he might have made under Standing Order 15(3). I am inclined to make the same ruling in this instance.

It is always difficult for the Chair to make a decision in such a case without having had an opportunity to study the document that a minister attempts to table under the terms of Standing Order 41. I think the suggestion made by the hon. member for Peace River is a valid one. Perhaps we might allow the matter to stand and the Chair will look at the document. But if it is a statement which the minister might have wanted to make under the terms of Standing Order 15, I would respectfully suggest that it could not be tabled under Standing Order 41. That is the ruling which was made on a previous occasion and I would have to make the same ruling again. However, all this would be subject to the Chair being given an opportunity to look at the document.

[Mr. Knowles (Winnipeg North Centre).]

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

INCREASE IN UNEMPLOYMENT AND INFLATION—REQUEST FOR EXPLANATION—POSSIBLE NEW MEASURES TO COPE WITH SITUATION

Hon. Robert L. Stanfield (Leader of the Opposition): I have a question for the Minister of Finance, Mr. Speaker. Would he give the House a very brief explanation as to why Canada now faces both a soaring rate of inflation and an increase in the rate of unemployment?

Hon. John N. Turner (Minister of Finance): The unemployment figures published this morning show a rise in the seasonally-adjusted rate. They do not in any way reflect a weakening in the economy. As I said yesterday in the speech I tried to finish, the economy has been expanding at a seasonally-adjusted rate of 9.2 per cent. I think the House is entitled to understand that the strength of the economy is reflected by the number of new jobs, August over August, 1972 464,000 new jobs, the largest increase in the history of Canada.

Some hon. Members: Hear, hear!

Mr. Stanfield: Yesterday the minister tried to read us the telephone book; I do not know whether he will read us the telephone book again today or not. Now that we have experienced "stagflation" during what are traditionally the best six months of the year, can the minister tell the House whether he has any new measures to propose in view of this increase in the unemployment rate associated with a horrendous rate of inflation?

Mr. Turner (Ottawa-Carleton): The hon. gentleman asked me whether there were any unusual factors that might apply. Again, I think the House is entitled to know that during the reference week of August 19, when the survey was made, there were 80,000 men and women on strike, including the rotating strikes on the railways. This

had peripheral effects resulting in further unemployment in respect of other concerns which could not obtain supplies from companies that were on strike or supplies that were normally delivered by rail. One cannot expect that strikes, which are supposed to produce an adverse economic effect on the country, will not result in a statistical fall-out as well. This is exactly what happened.

Mr. Stanfield: If it is not the weather, it is something else, obviously. I should like to ask the minister whether this experience during the last six months since March—5.5 per cent unemployment in March, seasonally-adjusted and 5.5 per cent seasonally-adjusted in mid-August, amounting to virtually no change as far as married men over 25 are concerned—corresponds with the hon. gentleman's definition of sustainable growth?

Mr. Turner (Ottawa-Carleton): I think sustainable growth is reflected by the fact that, as I have said, August over August, 464,000 new jobs have been created in this country. Despite the interpretation the hon. gentleman would like to place upon the figures, the trend of unemployment, discounting monthly variations, has been downward and is well below the figures last year.

Some hon. Members: Hear, hear!

UNEMPLOYMENT INCREASE—POSSIBILITY OF ADDITIONAL FUNDS FOR LOCAL INITIATIVES PROGRAM

Mr. Bill Knight (Assiniboia): I have a supplementary for the Minister of Manpower and Immigration. In light of the fact that the adjusted rate, particularly for those in the 14-24 age bracket, has risen from 9 per cent to 9.7 per cent—

An hon. Member: You share the blame!

Mr. Knight: —can the minister inform the House whether the government is considering increasing the funds allocated to the Local Initiatives Program?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Not at this moment, Mr. Speaker.

● (1420)

UNEMPLOYMENT INCREASE AMONG YOUNGER PERSONS—INQUIRY AS TO YOUTH EMPLOYMENT PROGRAM NEXT SUMMER

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a supplementary question for the Secretary of State. In light of this report, and in view of the unemployment rate among those in the younger age bracket would the Secretary of State inform the House whether the government intends to operate a youth employment program over the next summer?

Hon. James Hugh Faulkner (Secretary of State): Mr. Speaker, that will be announced in due course, but I imagine that there would be a student summer employment program next summer.

[*Translation*]

SUGGESTED APPLICATION OF COMPREHENSIVE CONTROL OF PRICES AND SALARIES

Mr. Réal Caouette (Témiscamingue): I wish to put a supplementary to the Minister of Finance, Mr. Speaker.

Is the Minister of Finance now contemplating the implementation of a "comprehensive" prices and wages freeze program?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, according to the definition given by the hon. member to the word "comprehensive" yesterday the answer is no.

[*English*]

PROPOSED TAKEOVER OF ACKLANDS LIMITED BY UNITED STATES COMPANY—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister in the absence of the Minister of Industry, Trade and Commerce. It arises out of a report this morning of a United States takeover bid for Canada's largest wholesale automotive supply dealer in Winnipeg, Acklands Limited. In view of the employment implications in particular of this takeover bid, would the Prime Minister assure the House that the government is taking some steps at least to hold back this takeover bid?

Hon. Robert K. Andras (Acting Minister of Industry, Trade and Commerce): Mr. Speaker, on behalf of my colleague, absent on government business, and as Acting Minister of Industry, Trade and Commerce I would be glad to take the question as notice, study it very carefully, and give an answer to the hon. member.

Mr. Broadbent: In view of the imminence of this decision as reported in the press—it appears that the decision may be reached within a matter of days, if not hours—I ask the minister or the Prime Minister whether they will assure the House that steps will be taken by the government to ensure that this takeover bid is not completed before there is a thorough investigation by the government in terms of the implications of this takeover for the Canadian economy?

Mr. Andras: Mr. Speaker, in seeking an answer for the hon. member I will give full note to his representation.

GOVERNMENT INTENTION RESPECTING PROCEEDING WITH FOREIGN INVESTMENT REVIEW BILL—POSSIBILITY OF CHANGES

Mr. G. W. Baldwin (Peace River): I have a supplementary question, Mr. Speaker. Has the government any intention of shortly reintroducing Bill C-132, which deals with such matters as this; and in light of the information given may I ask the minister whether it is the intention of the government to introduce any changes to this legislation, or will it come before us in its original form?

Hon. Robert K. Andras (Acting Minister of Industry, Trade and Commerce): Mr. Speaker, I will endeavour to

get an answer to that question as well for the hon. member.

PROPOSED TAKEOVER OF ACKLANDS LIMITED BY UNITED STATES COMPANY—INQUIRY AS TO REPRESENTATIONS BY MANITOBA

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the minister respecting the matter raised by the hon. member for Oshawa-Whitby. Has the premier of the province of Manitoba communicated with the government and requested its assistance in this matter?

Hon. Robert K. Andras (Acting Minister of Industry, Trade and Commerce): Not to my knowledge, Mr. Speaker, but I would have to look into that.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

INQUIRY AS TO INFORMATION GIVEN PROVINCIAL GOVERNMENTS ON CABINET MINISTERS

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Prime Minister.

On September 5, I put to him a question that he considered too vague, and having reread it in *Hansard* I found it very clear and I should like to put the same question again.

Could the Prime Minister tell the House whether he follows the policy of informing his colleagues, the provincial premiers, when the RCMP or the Solicitor General tell him of some compromising or suspicious action on the part of cabinet members in a province?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I find this question if not vague, at least extremely general, and so, the answer should be just as general: In principle, no.

Mr. Matte: Mr. Speaker, I shall put a very precise question.

In October 1970, was the Prime Minister aware of the findings of a joint investigation made by the RCMP and the Quebec Provincial Police, concerning specifically the recent disclosures of the Quebec Minister of Justice in connection with the alleged relationships between ex-minister Pierre Laporte and some members of the underworld.

Mr. Speaker: The hon. member is asking a question relating to events that happened two or three years ago, and I believe that, under the circumstances, it could easily be put on the order paper. If there is any urgency, it could be considered at the time of adjournment.

[Mr. Andras.]

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT—POSSIBILITY OF NEW BUDGET BEFORE END OF YEAR

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is supplementary to the one directed by the Leader of the Opposition to the Minister of Finance. In view of the failure of the minister's budget of last February either to reduce unemployment or hold the line on the cost of living, and in view of the fact that high interest rates will further increase unemployment especially in the slow growth regions, does the minister intend to bring in a new budget before the end of the year?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I replied to that question earlier in response to the hon. gentleman's leader. My present intention is no.

UNEMPLOYMENT INCREASE AND RISING PRICES—COST-PUSH INFLATION AS FACTOR

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Minister of Finance. Given the fact that we have an increase in unemployment and rising prices, and at the same time have seen no real increase in the gross national product in the last quarter, does the Department of Finance or the Minister of Finance consider this evidence that we still have a large element of cost-push inflation operating in the economy?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not think the hon. gentleman's conclusion follows his preamble, but I want to remind him that the rate of growth in this country, seasonally adjusted, for the first six months of this year is 9.2 per cent.

Mr. Speaker: Order, please. The Chair will recognize the hon. member on a supplementary, followed by the right hon. member for Prince Albert.

Mr. Gillies: Is this real growth?

Mr. Turner (Ottawa-Carleton): In real terms.

Mr. Gillies: Mr. Speaker, again this is a question to the Minister of Finance. I would remind him that in the second quarter there was no real growth in the economy.

Mr. Speaker: Order, please. Will the hon. member kindly ask his supplementary.

Mr. Gillies: What evidence would the Minister of Finance accept that there is still a large element of cost-push inflation in the economy today?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, there has been, as the hon. gentleman may suggest, some slight breakout in the rate of labour settlements over the last month, but the prime influence on inflation in this country is the imbalance in world demand over world supply of commodities, particularly agricultural commodities.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The right hon. member for Prince Albert.

Mr. Gillies: I rise on a point of order, Mr. Speaker. With due respect, may I say I have never risen on a point of order or personal privilege in the House before, but the answer of the minister to this question, which I think is fundamental, legitimate, and the most important question before the country today, was totally non-responsive.

Some hon. Members: Hear, hear!

Mr. Speaker: I am sure the hon. member will appreciate that that is hardly a point of order. It is a question of debate or argument. The minister appears ready to join in the argument, but perhaps we might go on to the next question.

* * *

AIR TRANSPORT

REQUEST FOR INFORMATION ON NEW ROUTES TO UNITED STATES AND PRECLEARANCE ARRANGEMENTS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, arising out of the matter raised by the hon. member for Vegreville I would like to ask the Minister of Transport to tell the House what new routes the Canadian airlines will have as a result of the agreement with the United States and, second, what alterations are there under the arrangements entered into between Canada and the United States respecting the preclearance procedure?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think that the document that was initialled in Washington between the head of the Canadian delegation and Mr. Styles, representing the government of the United States, is the largest such package that has ever been negotiated not only between Canada and the United States but throughout the world.

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): But, Mr. Speaker, there are so many new routes that I do not think you would allow me to enumerate them at this time.

Mr. Diefenbaker: Does the minister not feel that in an hour or so outside the House of Commons he will remember these things that he will not make available to the House of Commons? This is a contemptuous disregard of parliament on his part.

Mr. Marchand (Langelier): Mr. Speaker, I think that this document is very important for the people of Canada. I tried to table it here and I was not successful. I hope that somebody will decide to inquire into it.

Mr. Diefenbaker: The minister should know. He is trying to hide something.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I ask him now, will he treat this House of Commons as a responsible body? I ask that the House agree to revert to motions so he can tell the House of Commons what he should announce here rather than outside it?

Some hon. Members: Hear, hear!

● (1430)

Mr. Speaker: The hon. member for York Simcoe.

* * *

HOUSING

GOVERNMENT INTENTION RESPECTING ROLL-BACK OF NHA AND CONVENTIONAL MORTGAGE INTEREST RATES IN VIEW OF LEVEL

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Prime Minister. In view of high mortgage interest rates already creating home buyer resistance with the result that there is a lessening of construction and employment, does the government now intend to order roll-backs of NHA and conventional mortgage rates which are now at 10½ per cent compared with less than 9 per cent a few months ago and a current average rate of 8 per cent in the United States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, without agreeing with the premise of that question, the answer is no.

Mr. Stevens: Mr. Speaker, if I may I should like to put a supplementary to the Prime Minister. Is it the government's position that mortgage interest rates of 10 per cent to 10½ per cent are acceptable and necessary in Canada?

Mr. Speaker: The hon. member for Greenwood.

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ENVIRONMENTAL AFFAIRS

STEPS TO ENSURE BETTER PROGRESS IN CLEANING UP POLLUTION IN GREAT LAKES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Minister of the Environment. In light of the fact that the International Joint Commission, in its first annual report pursuant to the Great Lakes Water Quality Agreement, has criticized the Ottawa and Washington governments for lack of adequate and timely support in the first year of operation under the agreement, will the minister say what steps will be taken to ensure more adequate progress in the concerted clean-up drive in the Great Lakes agreed to by both countries last year?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the responsible authorities from Canada and the United States will be meeting early in October to review the report and recommendations of the International Joint Commission.

Mr. Brewin: I have a supplementary, Mr. Speaker.

Mr. Speaker: Order, please. I have to interrupt the hon. member for Greenwood. The hon. member for York-Simcoe rises on a point of order.

Mr. Stevens: Mr. Speaker, I believe the Prime Minister was about ready to answer my question and I wonder whether he could be given an opportunity to answer.

Mr. Speaker: The Chair has recognized the hon. member for Greenwood.

Mr. Brewin: Mr. Speaker, I have a supplementary question for the Minister of the Environment. In view of the fact the report criticizes Canada's delay in getting the regional office for the commission in Windsor functioning after its opening in May, has the Windsor office now been supplied with adequate funds and staff?

Mr. Davis: Yes, I can assure the hon. member that adequate funds are available. It is simply a matter of hiring additional staff which is the question.

* * *

[*Translation*]

AGRICULTURE

ALLEGED CONFUSION IN NEW POLICIES RESPECTING FEED GRAIN AND DAIRYING—SUGGESTED PUBLICITY CAMPAIGN

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to ask a question to the Minister of Agriculture.

In view of the fact that there is confusion among people in connection with the dairy policy reform and the feed grain policy announced by the government, could the minister inform the House whether he or his department have undertaken or will undertake soon a publicity campaign on this matter? In the affirmative, how are they proceeding? Through radio, television, newspapers or through the hon. minister, or his parliamentary secretary or officials of his department?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it can be done even with the help of the minister or the hon. member. The meetings are ongoing at the present time with the provincial authorities, and the people in the provinces who handle milk are also concerned about the feed grain problem and program. I do not know what more we can do at this time, but I do agree we probably should be using some kind of advertising program just to state the facts as they are.

[*Translation*]

FEED GRAIN—PROTEST OF QUEBEC UPA AGAINST NEW POLICY—REQUEST FOR STATEMENT

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a supplementary to the Minister of Agriculture.

In view of the fact that following three recent regional conventions of the Quebec FPW, it was decided that if, by September 15, the temporary policy on feed grains has not been implemented, a march on Ottawa would be organized to urge the government to action, will the minister give the House the assuranc that he will make a statement before September 15?

[Mr. Speaker.]

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I recently met with the President of the UPA and other farm leaders from Quebec, la belle province—

Some hon. Members: Hear, hear!

Mr. Whelan: —and I must say that I found them very reasonable people. They accepted our explanation of the feed grain problem. I told the House last week that there would be an announcement on August 15, that we are shooting for that date. We still are, and they seemed satisfied and ready to accept the minister's explanation.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Brome-Missisquoi, but I think this might be an appropriate moment to remind hon. members that with the large number of members seeking an opportunity to ask questions we should attempt to limit the number of supplementaries. For the moment the Chair recognizes the hon. member for Brome-Missisquoi.

[*Translation*]

DAIRYING—DISCUSSION WITH PROVINCES BEFORE ANNOUNCEMENT OF NEW POLICY

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I have another supplementary for the Minister of Agriculture.

I should like to know whether he consulted the provinces before announcing his policy on subsidies to dairy producers, and whether the Quebec government has given the minister the assurance that it will freeze retail prices of dairy products for the coming 12 months?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I just said that these discussions are still being carried on regarding the subsidy on milk. They have not been finalized at all.

Mr. Speaker: The Chair will recognize the hon. member for Lisgar on a supplementary and then the hon. member for Rocky Mountain.

REQUEST THAT STANDING COMMITTEE CONSIDER FEED GRAIN POLICY

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the hon. member for Bruce who is Chairman of the Standing Committee on Agriculture. Since the Minister of Agriculture indicated it would be a good idea to have more clarification on the whole matter of feed grain policy, I should like to ask the hon. member for Bruce whether or not it would be possible for the government to reinstitute or revitalize, so to speak, the Standing Committee on Agriculture so that we could have the Minister of Agriculture and the minister responsible for the Canadian Wheat Board before us at the earliest possible time?

Mr. Speaker: Order, please. The hon. member will have to wait a moment for his reply. The hon. member for

Brome-Missisquoi rises on a point of order. Is the hon. member rising on a point of order?

Mr. Grafftey: Mr. Speaker, I do not want to interfere with the answer to that question, but in relation to my question I would point out—

Some hon. Members: Oh, oh!

Mr. Grafftey: A little courtesy is not always out of order in this House. In relation to my question it is obvious that the translator did not keep up with it so the minister could understand it. Therefore I will put it in the other official language. My question to the minister is—

Mr. Speaker: Order, please. I recognized the hon. member on a point of order. I appreciate the difficulty he has, but perhaps for the sake of order we ought to allow the minister to reply to the supplementary asked by the hon. member for Lisgar and then the hon. member for Brome-Missisquoi could be allowed to rephrase his question in English. Then we will try to get on with the next question. We are running short of time already.

An hon. Member: En français.

Mr. Speaker: The minister may reply in any language.

Hon. E. F. Whelan (Minister of Agriculture): Monsieur l'Orateur, I thought the translation was perfect. I thought my answer was fair. However, I wish to make one correction in the answer to the hon. member who asked me the question previously. I said August 15. It should have been September 15.

Mr. Speaker: The hon. member rises on a point of order.

Mr. Murta: Mr. Speaker, I am sorry but I must also rise on a point of order and attempt if possible, with the indulgence of the House, to get an answer from the hon. member for Bruce in respect of the question I asked him concerning the Standing Committee on Agriculture.

Mr. Ross Whicher (Bruce): Mr. Speaker, we will look into that matter immediately.

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT AMONG YOUNG CANADIANS—EFFECTIVENESS OF OFY AND RELATED PROGRAMS IN CREATING JOBS—NEW MEASURES

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, my question is for the Minister of Finance. Since unemployment among young Canadians continues at almost double the national rate in a month when all of the make-work projects of the government are operating, can the minister provide the House with any firm evidence that OFY and related programs are creating a significant number of new jobs for young people who would otherwise be unemployed, and in any event has the government any new programs that will break the continuing pattern of high unemployment among young Canadians?

• (1440)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the first part of the question got lost in the noise at this end of the House, but I will read the question in *Hansard* and consult my colleague, the Secretary of State.

* * *

LABOUR RELATIONS

SUGGESTED BREAKING UP OF BARGAINING UNIT TO PROVIDE FOR SEPARATE NEGOTIATIONS BETWEEN RAILWAY UNIONS AND COMPANIES

Mr. Paddy Neale (Vancouver East): Mr. Speaker, I should like to direct my question to the Minister of Labour. In view of the fact that any contract put into effect under Bill C-217 will expire at the end of December, 1974, and in view of the fact that the House will no doubt be called on to legislate the railroad workers back to work in the event of another strike, would the minister give consideration to breaking up the bargaining unit so that separate negotiations can ensue between the railroad unions and the two major railways, namely, the CNR and the CPR, in order that in the event a strike is necessitated between the workers and either one of the two major companies it would not constitute a threat to the Canadian economy?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, without acknowledging at such an early stage the inevitability of legislation again at the termination of the present collective agreement, may I say, as I indicated earlier, that we will study the history of the present events that led up to the strike we have just experienced to see whether we cannot come up with a formula to reduce the motivation to strike next time. Having said that, may I say with particular reference to the hon. member's suggestion: yes, that is under consideration.

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HISTORIC SITES

PRESERVATION OF BOYHOOD HAMILTON RESIDENCE OF LATE PRIME MINISTER PEARSON—REQUEST THAT GOVERNMENT RECONSIDER DECISION NOT TO PARTICIPATE

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. It arises out of the decision of the federal government not to participate with the city of Hamilton in preserving the boyhood residence of the late Right Hon. Lester B. Pearson and to develop a park in memory of that great Canadian. As the minister has already joined other hon. members in rejecting the reason given that not enough time has passed since the death of the former prime minister to make an objective assessment of his contribution, has the minister reconsidered this decision and can he now assure us that the federal government will participate in a most fitting tribute to the memory of this great Canadian?

Some hon. Members: Hear, hear!

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I communicated to the mayor of Hamilton my view that the reasons I saw published in the paper seemed rather absurd and that Mr. Pearson's contribution to the country needed no judgment by any government official or agency. Whether or not a particular home is marked as a historic site is up to my colleague, the Minister of Indian Affairs and Northern Development. However, I have assured the mayor of Hamilton that if a proposal is put forward for a neighbourhood improvement plan throughout the whole area we will negotiate with Hamilton and the province of Ontario for the application of the National Housing Act provisions to that area.

* * *

AGRICULTURE

INQUIRY AS TO GOVERNMENT PLANS TO CONTROL PRODUCERS' COSTS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct my question to the Minister of Finance. In view of the fact the government has now embarked on a policy of selective controls as seen by attempts to establish a maximum and minimum price on grain and to freeze the consumer price of milk, has the government any plans now to control the input costs of agricultural producers which are now rising at an unprecedented rate of 13 per cent?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the way in which the hon. gentleman phrases that question makes it difficult for me to reply to it because I cannot accept the tone of his preamble. One thing about which the government is concerned is the stabilization of farm income in this country, which of course has some relation to costs.

Mr. Danforth: In view of the fact that world prices of feed grains have pushed the feed costs of Canadian production of meat, dairy and poultry products to a virtual non-profit level, has the government any plans to control or subsidize these specific costs to guarantee adequate Canadian production for our consumers, or is the government relying on a further consumer price increase?

Mr. Speaker: The minister will be recognized to make a brief answer, but at least the first part of the question asked by the hon. member would require a lengthy statement which normally should be made on motions.

Mr. Lambert (Edmonton West): We cannot get them on motions.

Mr. Turner (Ottawa-Carleton): Staying within the confines of your ruling, Mr. Speaker, may I say that the entire subject will be high on the agenda of the conference led by my colleague, the Minister of Agriculture, when he reviews with his provincial counterparts the whole question of the stabilization of farm income.

[Mr. O'Sullivan.]

THE CANADIAN ECONOMY

GOVERNMENT MEASURES TO COPE WITH UNEMPLOYMENT AND INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, perhaps the Minister of Finance will be happy with the tone of my question. In view of the fact that as of mid-August 433,000 people in Canada were unemployed and looking for work, and in view of the fact that the rate of inflation is some 8 per cent, I should like to ask the minister whether he is able to propose one constructive measure that he proposes to take in the face of this rate of unemployment, this inflation, and the prospect of winter coming on, because I must tell the minister that his record as Minister of Finance in the last six months makes Edgar Benson look pretty good.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I share the hon. gentleman's concern about the men and women of this country who have not yet found work. I have said on many occasions that the first priority of the government is still jobs. The hon. gentleman might recall the action of my colleague, the Minister of Manpower and Immigration and the fact that there is a $100 million LIP program available this winter. There is also still unexpended $275 million of the winter capital works projects program—

Mr. Speaker: Order, please. Perhaps the minister would like to return to motions to make a statement. We are running short of time.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a supplementary question I wish to address to the Minister of Regional Economic Expansion on the government's fiscal and economic policies. In view of the continuing high unemployment, down slightly in the Atlantic region and up in Quebec, and the fact that these regions are the hardest hit by inflation, has the minister developed a new variable to his multi-dimensional, multi-faceted, decentralization policy which he is so busy expounding, tailored to meet the specific challenges of using DREE to rescue the poorer regions of Canada—

Mr. Speaker: Order, please. The Chair will have to study the hon. member's question before being able to determine whether or not it is in order.

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[*Translation*]

AIR TRANSPORT

ESTABLISHMENT OF NEW ROUTES TO UNITED STATES FROM CALGARY AND EDMONTON

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Minister of Transport, and in order to refresh his memory, I will simply ask him what are the particulars of the arrangements with the United States in connection with new air routes for the cities of Edmonton and Calgary?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the agreement is not ratified; it is simply a report and I may say incidentally that as soon as the agreement

is ratified, it will be announced in the House first. There will be 46 new routes, some of which will be between Calgary and Edmonton and the south of the United States.

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

Mr. Speaker: Order, please. The hon. member can ask his supplementary, but once again, I will ask for the co-operation of hon. members so that we may try to recognize as many members as possible before the end of the question period.

Mr. Lambert (Edmonton West): Mr. Speaker, I ask the Minister of Transport whether he can give the House the assurance that within 40 minutes his memory will be clearer and that he will be able to recollect the particulars, since he was present at a press conference—

[*English*]

Mr. Speaker: Order, please. The hon. member for Yorkton-Melville.

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FINANCE

SUGGESTED USE OF BUDGET SURPLUS FOR ASSISTED HOME OWNERSHIP PROGRAM

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. In view of the increased unemployment rate and continuing inflation and in view of the fact there is a $200 million surplus in the budget, would the minister consider putting some of this money into the AHOP which subsidizes housing for people in the lower and middle income groups?

Mr. Baldwin: Talk gently, John.

Hon. John N. Turner (Minister of Finance): I would assure myself that my colleague, the Minister of State for Urban Affairs, has enough money to meet the housing problems of the country.

Mr. Nystrom: Can the Minister of Finance confirm a report that he turned down a request by the Minister of State for Urban Affairs that he do just that or amend the Bank Act—

Mr. Speaker: Order, please. A question in those terms is out of order.

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ENERGY

CRUDE PETROLEUM—INQUIRY AS TO MEETING WITH ALBERTA MINISTERS—DISCUSSION OF CONSUMERS' SUBSIDY

Mr. Eldon M. Wooliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources if he is meeting any ministers of the government of Alberta this week and if one of the matters that will be discussed is the question of the province of Alberta

subsidizing the consumers in reference to crude petroleum as western wheat farmers have been asked to subsidize consumers in reference to bread in the whole of Canada?

● (1450)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am meeting with the Alberta ministers. The hon. member's formulation will be an interesting one to put to them.

[*Translation*]

PROPOSED EXTENSION OF OIL PIPELINE TO MONTREAL—EFFECTS ON CONSTRUCTION OF SUPERTANKER PORT ON ST. LAWRENCE—DISCUSSION BETWEEN OTTAWA AND QUEBEC

Mr. Eudore Allard (Rimouski): Mr. Speaker, I wish to put a question to the hon. Minister of Energy, Mines and Resources.

In view on the one hand of the federal government announcement regarding the construction of a pipeline and, on the other, of the Quebec government statement concerning the development of a deep water port for supertankers in the lower St. Lawrence region, is the minister in a position to inform us as to whether there were consultations or discussions with the Quebec government prior to his announcement? If not, does he expect any now and if so, when?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, I discussed the matter with Quebec officials in July and I am supposed to meet my Quebec counterpart this week.

* * *

[*English*]

LABOUR CONDITIONS

SUGGESTED INCREASE IN MINIMUM WAGE

Mr. Don Blenkarn (Peel South): Mr. Speaker, I have a question for the Minister of Labour. In view of the Prime Minister's statement of September 4 and that little reference to the working poor, is the Minister of Labour prepared to introduce legislation to increase the minimum wage?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, it is possible to raise the level of the minimum wage without coming directly to parliament, under the legislation. I would indicate to the hon. member that this is under consideration now.

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FISHERIES

DAMAGE TO FISHERMEN'S GEAR BY GREEK FREIGHTER APPROACHING VANCOUVER—ASSISTANCE BY DEPARTMENT

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. Is his department prepared to assist fishermen in recovering

damages for the destruction of nets and other fishing gear by shipping and, specifically, to assist fishermen who it is alleged lost several hundred dollars worth of nets each recently because the gear was run over by a Greek freighter approaching Vancouver off the mouth of the Fraser River?

Hon. Jack Davis (Minister of Fisheries): Yes, Mr. Speaker, that particular matter is under investigation in the department.

* * *

FINANCE

INQUIRY AS TO CHANGE IN GOLD PRICING IN LIGHT OF FREE MARKET PRICE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Finance. As the price of gold on the free market has been two and a half times the official price, does the government intend to make any change in gold pricing, particularly before the meeting of the IMF in Nairobi later this month?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I did not hear the exact commodity to which the hon. member was referring.

Mr. Ritchie: Gold.

Mr. Turner (Ottawa-Carleton): Gold? No, Mr. Speaker.

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HEALTH

SUGGESTED INSTITUTION OF INSURED MEDICAL AND SURGICAL SUPPLIES FOR OLD AGE PENSIONERS AND OTHERS ON LOW INCOMES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the fact that the galloping increase in the cost of living is particularly severe on old age pensioners and those on low incomes, hitting hardest of all those suffering from chronic illness and in many cases requiring expensive services, would the minister consider instituting insured medical and surgical supplies for those people, thus fulfilling the recommendation of the Hall Commission report on national medicare?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as the hon. member knows, the federal government is already sharing on a 50 per cent basis any help given to people in need under the Canada Assistance Plan. At the same time, the government has a firm commitment vis-à-vis the provinces that no new joint program is going to be initiated in this particular area without the development of a consensus with the provinces.

[Mr. MacLean.]

CONSUMER PACKAGING AND LABELLING ACT

GOVERNMENT INTENTION RESPECTING PUBLICATION OF REGULATIONS AND PROCLAMATION

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the fact the Food Prices Review Board, apparently with the minister's consent, has sent over 80 researchers across the country to investigate certain practices of food retailers, would the minister tell the House whether he has given up on the Consumer Packaging and Labelling Act which would have permitted departmental investigations of this sort but for the fact that the minister has yet not published the draft regulations so that the act can be proclaimed and be in force?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the board does not need my consent to carry out its mandate, in the way the hon. member suggests. I hope to see the draft regulations published in the Canada *Gazette* shortly when the work of translation is completed.

Mr. Atkey: May I ask the minister if he can give the House the assurance that the draft regulations will be published and the act proclaimed and in force at least by the third anniversary of its passage in the House on March 17, 1974?

* * *

FOOD PRICES REVIEW BOARD

REASON FOR HIRING OF RESEARCHERS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of the minister's repeated assurances that the department has been carrying on research over several months into the activities now undertaken by the Food Prices Review Board, can he tell the House the real reason for the existence of Plumptre's posse?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I hope that my hon. friend will read the statement I made at the time of the announcement of the board's terms of reference—

Mr. Speaker: Order, please.

An hon. Member: Order!

Mr. Speaker: I suggest that the hon. member's call for order is in itself disorder. The hon. member for Sault Ste. Marie.

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ENERGY

PROPOSED OIL PIPELINE EXTENSION TO MONTREAL—PROVISION OF BENEFICIAL COMPETITION AND SECURITY FOR CONSUMERS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Energy, Mines and

Resources. With regard to the recent pronouncements by the government of Quebec on the development of that province's petrochemical industry and the minister's statement in the House yesterday that Quebec has shown no evidence that it can protect its position from a security and cost standpoint in light of events in the international oil market, does the minister still agree with the Prime Minister's statement on September 4 that an oil pipeline to Montreal would provide beneficial competition and security for Canadian consumers?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker.

[*Later:*]

Mr. Symes: Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. In light of the minister's affirmative reply to my question, does he not agree that the federal government should extend pipeline facilities to Montreal, regardless of the Quebec government's—

Mr. Speaker: Order, please. The hon. member's question, asked in those terms, is argumentative or debate and is not in order.

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HARBOURS

INQUIRY AS TO APPROVAL OF EXPENDITURES AT PORT OF CHURCHILL RECOMMENDED BY NATIONAL HARBOURS BOARD

Mr. Keith Taylor (Churchill): Mr. Speaker, I have a question for the Minister of Transport. In view of the recommendation of the National Harbours Board that $12.6 million be spent over a six-year period at the port of Churchill, would the minister advise whether he has approved that recommendation and, if so, when will the project get under way?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, no decision has been reached yet. I sent a report to the government of Manitoba and I hope that we will be in a position to make a decision soon.

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ENERGY

PROPOSAL TO UNITED STATES RESPECTING SUPPLYING OF CANADIAN OIL TO PUGET SOUND REFINERIES

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. In light of the statement by the Minister of Energy, Mines and Resources over the weekend that he would be prepared to discuss supplying Canadian oil to U.S. refineries at Puget Sound in order to keep U.S. tankers from unloading oil in those waters, can the Prime Minister advise what steps have been taken to make this proposal to the United States and whether such a proposal is now government policy?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, on the latter part of the question, this matter has been stated by the Minister of Energy, Mines and Resources and by the Secretary of State for External Affairs on previous occasions.

Mr. Fraser: Can the right hon. Prime Minister assure the House that such a proposal will be made forthwith to the appropriate U.S. officials?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am expecting to see Governor Love, the President's energy adviser, within a matter of weeks and this will be one of the matters on the agenda.

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, I also have a question for the Minister of Energy, Mines and Resources. May I ask where he proposes to get the oil that he is intending to offer in his coming meeting?

Mr. Macdonald (Rosedale): Mr. Speaker, since the hon. member obviously was not listening to the testimony given last winter in the committee, perhaps he might reread it.

Mr. Speaker: Order, please. The hon. member for Northumberland-Durham.

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT—EXCLUSION OF STRIKERS FROM FIGURES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, mine is a supplementary question to the Minister of Finance relating to the very first answer he gave this afternoon. In light of the assumption of many people across the country when they have read the Statistics Canada reports on unemployment in the past that the figures specifically did not include strikers, and in view of the fact that the legal definition of those unemployed in this country specifically excludes strikers, would the minister tell the House if his answer indicated a change in the position or a change in the policy of the government?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, maybe I did not make myself clear to the hon. gentleman.

Mr. Trudeau: He did not understand.

Mr. Turner (Ottawa-Carleton): What I said was that during the reference week ending August 19—

Mr. Stanfield: Stick to the weather, John.

Mr. Turner (Ottawa-Carleton): —there were 80,000 men and women on strike in this country including the rotating strikes. While the hon. gentleman is perfectly correct that those 80,000 are not included in the statistics, there were obviously lay-offs in those concerns that depend on supplies from those companies on strike. So there is a peripheral effect which would obviously apply to such companies.

● (1500)

Mr. Speaker: Orders of the day.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a point of order brought about because of my difficulty in getting an answer from the government. Although realizing that the question is not one which they are required to answer, I have attempted, through writing and otherwise, to find out if there is anybody on the government side of the House with a sufficient sense of fairness to look at the document presented to the courts by Tom Kent, President of the Cape Breton Development Corporation, which has since been denied. Is there anyone who will stand up and defend it, or at least give justice to the men whom Tom Kent is now cheating because of a false document?

Mr. Speaker: The hon. member for Winnipeg North Centre.

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

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, on a further point of order—

Mr. Speaker: Order, please. I would hope that we could get on with the business of the House which is to be called. The hon. member rises on a second point of order. I will try to recognize the hon. member for Winnipeg North Centre eventually on his own point of order.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, since the members on the government benches have had the opportunity to defend the action of Tom Kent, and since not one of them has accepted that invitation, do you not think that somebody on that side, especially the Prime Minister, out of a sense of fairness would fix up this situation and not allow Tom Kent to deceive either the courts or parliament?

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order with respect to another matter. Earlier this afternoon Your Honour ruled that a statement which the Minister of Transport sought to table under Standing Order 41(2) was not one that could be tabled in that way but that it appeared to Your Honour to be a statement which the minister could have made on motions. That being the case, I wonder if Your Honour would ascertain whether there is now unanimous consent for the House to revert to motions, so that the minister can make that statement here, in the House of Commons.

Mr. Speaker: I suggest to the hon. member that his interpretation of the ruling of the Chair differs slightly from my interpretation of what I said. As the hon. member seeks the unanimous consent of the House to revert to motions, I will inquire whether there is that unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Turner (Ottawa-Carleton).]

Mr. Speaker: Obviously, there is not unanimous consent. Orders of the day.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT AND YOUTH ALLOWANCES ACT

AMENDMENTS TO INCREASE PAYMENTS

The House resumed, from Friday, September 7, consideration of the motion of Mr. Lalonde that Bill C-223, to amend the Family Allowances Act and the Youth Allowances Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I note that my eloquence is moving members, even before I have begun to speak.

Mr. Nowlan: You have not seen anything yet.

Mr. Macquarrie: As my colleague from Annapolis Valley has just said, I have not seen anything yet.

This is the last of the trilogy of anti-inflation measures or, as the minister put it on Friday, it "is within the scope of the program which the government has already announced to protect the purchasing power of Canadian consumers." The minister on Friday made references to the bill of his colleague, the President of the Treasury Board (Mr. Drury) and the amendment to the Old Age Security Act with which this chamber has already dealt. He also referred to pending changes in the Canada Pension Plan. We are thus completing our examination of what one might describe as the prime ministerial welfare package for this country.

Last week the House adjourned for two hours to allow for this magisterial declamation against inflation and rising living costs, of which there has been some discussion in recent days. But it is misleading, I believe, to the public of this country to suggest that on this question of social welfare, what was announced by the Prime Minister last week conveys, implies or inscribes any dynamic, compelling urgency as a motivation for the announcement which was made in this particular welfare field. So, we have here not a series of bold, new thrusts but a rediscovery of items which have been mouldering on the order paper for a good many months.

The Prime Minister (Mr. Trudeau) made references to changes in the Canada Pension Plan. Was this a new and special response to the vaulting cost of living increases throughout the summer months and, indeed throughout the year, that is, through the fall, winter and spring? Canada now, as has been documented in this chamber, has the most rapid escalation of food prices of seven major countries, an escalation which is up to 14.7 per cent per annum, as documented by one of the most prestigious

international economic bodies in the world, and an overall increase in the cost of living of 8 per cent per annum.

The welfare package is not a new response, because away back on January 4 of this year we find in the Speech from the Throne references such as the one that follows. I quote from page 5 of *Hansard* of January 4, 1973:

> Subject to the appropriate agreement being reached with the Provinces, changes to improve the Canada Pension Plan will be introduced to provide higher pensions for widows, widows with dependent children and the disabled and to make other needed amendments.

Weeks went by; months went by, and on April 18 we saw the presentation, with great fanfare, of the orange paper. The Minister of National Health and Welfare (Mr. Lalonde) said on April 18, as recorded at page 3404 of *Hansard*:

> In this regard, we advance two specific proposals in relation to the Canada Pension Plan which we would like to embody in legislation this year—subject to a provincial consensus. This involves an increase in the level of yearly maximum pensionable earning—and the removal of the ceiling on cost-of-living escalations of Canada Pension Plan benefits.

That was said in April. This is September. All this indicates something less than emergent galvanic action. Indeed, it prompts one to ask how long it will take to get these improvements into our legislative stream.

I ask again, as I asked on Friday and Wednesday of last week, where is the delay? Why is there a delay in this process? A lot of time has elapsed since January 4; a lot of time has elapsed since January 18. Were there not any dominion-provincial conferences in this period? Were there no conversations? Were there no visits to provincial capitals? Why were these matters not discussed? Why, in all the time that has elapsed from January, were the provinces not asked for their approval of this particular matter?

In the old days people used to be concerned if one spoke for buncombe. There is no room for buncombe in a country that is going through the times that this one is going through. So, that part of the prime ministerial statement to which reference has been made was misleading. It was not a new item at all. But there is another statement which is much more serious. I was amazed to hear the Prime Minister say, as recorded at page 6183 of *Hansard*:

> As for the poorest families in Canadian society, the federal government shares 50 per cent of the cost of social assistance paid by the provinces to families in need. The government said in August, and repeats today, that it stands ready to pay 50 per cent of the costs of increasing these payments to compensate for higher prices. Certain provinces have already acted to do so, and others are undoubtedly considering taking such action soon.

Has someone suggested that the Canada Assistance Plan is a new measure to deal with the current cost of living emergency?

● (1510)

The Canada Assistance Plan has been in operation for a good many years. It is in essence a 50/50 sharing by dominion and provincial governments. Therefore, it was not any new pronunciamento, to use a favourite word of the right hon. member for Prince Albert (Mr. Diefenbaker). In fact, in the 1971 Annual Report of the minister, in the chapter dealing with the Canada Assistance Plan, it is pointed out, and I quote:

> No upper limit is placed on the benefits for which federal sharing is available.

The dispossessed and the needy were not given anything new last week when it was suggested that this is a new corrective measure. This is a new remedial promise. Many months ago I suggested to the minister that what was needed in the Canada Assistance Plan was a new formula. In this emergency, let the government of Canada undertake to help the dispossessed by giving 75 per cent of the cost until such time as the elaborate new look at social services is completed. When I mentioned that last spring, the minister said it was a short-term bandaid type of approach.

In March, 75 per cent was not acceptable, but the mere statement that 50 per cent would continue to be paid made the headlines in the great prime ministerial statement last week. I hope those in Canada who stand in need, not only of welfare payments, but in need because of the times in which they live, through no fault of their own, of greater aid are not taken in by this pretended munificence, this phony benevolence indicated in the statement.

Last Friday when dealing with this subject, I expressed my regret that the figure of $20 per child in the family allowance was not adopted instead of the minimum figure of $12. I said then and I say now, if we can legislate $12 on an interim basis, we can legislate $20 and give a little more assistance to the people in need.

When the once entrenched Prime Minister of Canada, the Right Hon. William Lyon Mackenzie King, introduced this measure in 1945—the minister and I were young indeed, perhaps adolescents, depending on how quickly we developed—the figure then as a matter of income redistribution, and that in essence is what these types of payments are, amounted to 1.45 per cent of the Gross National Product. In 1973, our existing payments amount to .5 per cent of the Gross National Product. In other words, the Minister of National Health and Welfare has been presiding over a family allowance system about one third as generous as that of the cautious Mackenzie King. To keep abreast of the value in terms of the Gross National Product which Mackenzie King gave, the present $8 cheques would have to be $17.40 and the $6 would have to become $13.

This is obviously a mathematical concept I am putting forward because we must always take into consideration the horrendous rise in the cost of living. In light of cold economics and in light of the proportion of the Gross National Product that is involved, the 12 per cent is not enormously munificent. As I say, to keep abreast of Mackenzie King, it would have to be $13.40. The minister is almost $1.50 below Mackenzie King; not outstanding progress, not rushing out full tilt toward a generous, compassionate welfare state. It is not the kind of galvanic progress which would guarantee that the minister's party and his party alone should remain in power forever and ever with the continual support of a certain group to my left. Geographically, they are to my left, but their performance in recent months causes me to wonder who is left and what is left.

We have learned, and I suppose when one stops learning he may as well stop living, that in dealing with government, propped or prodded by the NDP—they used to prod them, but now they prop them—we must be thankful for small mercies. We learned officially today what we knew empirically all along, that unemployment is rising and has risen even through the heat of the summer, even with the fanfare and the ballyhoo of LIP programs and the like.

Inflation is tough enough on any citizen, any head of family. How much worse, how much more terrifying and how much more soul destroying is rampant inflation to the head of a family who cannot find work? How does he cope? What does he do? How does he walk among his fellows with respect? How does he look upon his children as he tries to meet their needs and demands and cope with their aspirations?

In light of what is happening to our cost of living and our employment statistics, I hope the minister will not be overly immodest about this improvement. Heaven knows, many, many heads of families will need the increased cheques. I hope they will go out to them as soon as possible without any administrative delays which will cause this group of people to be frustrated in their expectations. These are difficult times. Despite the efforts that have been announced, this government has neither slain nor scotched the snake of inflation. However, for this measure of assistance we have to be thankful because it will for many people make a situation that is a little better.

We in this House would be naïve to think that we have in fact accomplished overly much. We would be naïve to believe that palliatives have cured. To believe this would be to believe that General Plumptre's army would be a rescuing force. I am sure that latest charade in the phony war against inflation will probably go down in history as the most ineffectual exercise in supererogation undertaken in this country. Whatever the people of Canada need to know, they do not need someone to tell them the cost of living is going up. Whatever else was needed, surely that was not the need.

Finally, true to my long standing tradition of not making long speeches, although they may not be as short to others as they are to me, we are going to support this measure. We note a lack of certainty in this bill. It is an interim bill, but it has no terminal date. We are told that something will start at an early date. I want to know if the cheques will get out on time. When will the new cheques be ready? I know the October date is not to be found in the bill. Is the minister sure that the consultations about which he has spoken will progress in such a way that the people can expect the $20 average in January 1974? If this is the case, we are delighted but we cannot find such an assurance in the legislation itself. I hope that later in our proceedings the minister will be able to give us an assurance of this kind.

● (1520)

For our part we shall support this measure. Faint as it is, it does help, and we wish to help these people as much as possible.

Mr. Edward Broadbent (Oshawa-Whitby): Speaking on this measure, I really wish to deal with two questions. One is directly related to the substance of the bill before us and to the benefits it provides. The second relates to a broader context, that is the way in which the legislation affects the redistribution of Canadian income.

It seems to me that the area of family allowances is one of the few areas in which the federal government really does involve itself in the direct redistribution of income. In a discussion of this subject it seem to me, therefore, that the bill before us should be discussed in a wider context, one which goes beyond the particular arrangements which have been made.

As the minister explained, family allowance payments in respect of all children in Canada are to be increased to $12 effective October 1. This is splendid. It will mean an average increase in family income of $10 per month, during the period October 1-December 31 of the present year, affecting some 3.5 million Canadian families. So an obvious advantage will accrue to Canadian families under the terms of the bill before us. A great many needy families will be directly assisted in coping with the results of inflation. This is especially important when we bear in mind that food prices have gone up by some 20 per cent in the past year alone. I should like to point out that conditions in which many families are living in Canada today are not such that we can be very proud of them. Some 4.5 million Canadians are living in poverty, and this figure includes 1,700,000 children according to a study prepared for the Senate Committee on Poverty. The fact that as of two years ago 1,700,000 children were living in a state of poverty is one we should keep much in mind when we hear statistics about the growth of real output in the economy, and so on, such as the Minister of Finance (Mr. Turner) has brought to our attention.

The hon. member for Hillsborough (Mr. Macquarrie) has just expressed the opinion that the government ought to bring the level of payments up to $20 beginning October 1 instead of deferring such action until January 1. We in this party support such a proposition because we put it forward last spring when the minister placed his white paper on the subject of family allowances before the House. We said at that time that rather than wait until fall, or until January, the increase should come into effect on July 1. We gave assurances that had such a bill been brought before the House for second reading at that time we would have assisted in securing speedy passage for it so that it might have been implemented before the summer recess.

The minister has assured us that negotiations are going on with the provinces so as to work out the details of the complex formula which has been devised in order that the provinces might have an effective say in the distribution of the eight dollars additional to the $12 minimum. It seems to be a highly desirable formula, one which meets the requirements of a complex federal state such as ours. We accept the minister's assurance that this work will be done in time for the bill to be passed by January 1 and, speaking for my party, I can assure him that we shall do everything we can to support these efforts.

The proposal before us will provide Canadian families with an immediate increase in disposable income. The second advantage of the scheme is its universal aspect. It is only a year or so ago, I would remind the House, that the present Minister of Labour (Mr. Munro) when he was

minister of national health and welfare, placed a proposal before us which would have introduced a means test into the family allowance scheme. It would have cut millions of ordinary Canadians from the benefit of the legislation. The NDP and the NDP alone voted against the proposal on second reading precisely because such a step would have been socially divisive; it would have been followed, in my judgment, by severe disruption of support for any social legislation which might have been introduced in subsequent years.

I say this to the minister. I hope I am preaching to the converted. He is a different minister and he has brought in a different package, despite the fact he is a member of the cabinet which put forward the plan we criticized so strongly a year ago. I, for one, hope the government does not bring in legislation in the social field or any other field which imposes a means test as a condition of benefit, such benefit being provided by the generality of the taxpayers. That kind of legislation will not get the support of the New Democratic Party. It is the sort of legislation that has been passed in other countries in the world which, instead of creating a sense of community, a sense of co-operation and fellowship among citizens, creates barriers and divisions. It creates antagonism toward government social schemes of all kinds and as such is the kind of legislation that the New Democratic Party cannot support in any way.

● (1530)

I read with interest the speech of the hon. member for Hillsborough on Friday last. When he pointed out that the present bill had universal application and did not involve a means test, he said: "For that we may be profoundly thankful." I would remind him that it was his party, the Conservative party of Canada, which just one year ago in this House supported the kind of legislation that he condemned here last Friday. It was the Conservative party of Canada, the hon. member's party, that supported a family allowance scheme that was based on a means test. I, therefore, welcome the hon. member for Hillsborough to the halls of the converted. I am glad he now accepts that family allowances should be applied universally rather than through a system that involves discrimination in the form of a means test. We, too, join with the hon. member for Hillsborough in welcoming the universal application of this particular scheme. At this point I shall leave that aspect.

I want now to deal with the legislation in a broader context. No matter how immediate and pressing are our needs, particularly in relation to food costs and housing, whether a person lives in Labrador, Halifax, Vancouver, Oshawa, or any part of rural or urban Canada, the fact is that within, I hope, a matter of months, to put it in a realistic context, inflation will be brought under some meaningful control in this country and the economy restored to a more stable or constant level, to the kind of situation where we are not continually preoccupied with how to beat inflation. Once we restore conditions to near normality the real effectiveness of this particular family allowance measure, it seems to me, will then be tested. What this kind of proposal does, or ought to do, is to redistribute income from upper income citizens and corporations to the average citizen and the poor in Canada, so that there is created within this country a more equitable society in which there is genuine equality of opportunity for our children to develop their talents and capacities. The real test of this legislation, therefore, which will come when another provision takes effect from January 1—what I might call stage two—will be: Does this bill move us toward a redistribution of income in Canada or does it not?

Before answering that question, I should like to put before the House some statistical information relating to the present situation in Canada. After many years of legislation since the second world war, introduced by governments at the federal level and also at the provincial level—though I am speaking principally of this federal institution—have we had a redistribution of income in Canada? The answer to that question is a resounding no.

I should like to present to the House statistics showing allocation of income prior to taxes for the years 1951 and 1971. Let me take first the lowest 20 per cent of the population. In 1951, the bottom 20 per cent of the population had 6 per cent of the disposable income before taxes. In 1971, after 20 years of a variety of Conservative and Liberal governments, this bottom 20 per cent still had only 7 per cent of the disposable income—a gain of one per cent after 20 years.

The next 20 per cent of the population had 13 per cent of the disposable income in 1951, and in 1971 still had only 13 per cent. The middle 20 per cent had 17 per cent in 1951, and in 1971 this percentage had increased to the colossal figure of 18 per cent. The fourth 20 per cent, going upwards in the distribution of income, had 22 per cent of disposable income in 1951, which by 1971 had risen to 23 per cent. We then get to the group of Canadians who are struggling to eke out an existence in this country, namely the top 20 per cent. In 1951 they had 41 per cent of the disposable income, twice the amount that their percentage of the population, in one sense, would seem to warrant. In 1971 this figure had dropped the grand total of two percentage points; they still have 39 per cent of the disposable income before tax.

I remind hon. members once again that we are talking here about family allowances. There were originally intended by the Liberal government of 1944 to provide for real equality of opportunity among young Canadians. If we are concerned to have genuine equality, then we should all be shocked and dismayed by the foregoing. After 20 years of pretty high prosperity in Canada we still have a situation where the top 20 per cent of Canadians have 40 per cent of disposable income in Canada, whereas the bottom 40 per cent of the population have only 20 per cent of the disposable income. There has been virtually no change in the distribution of pre-tax income in Canada during the past 20 years, and I think we should seriously concern ourselves with this fact.

I now pass on to deal with what is seen by many, both in this House and outside, to be an important means of curing this situation. Rather than have a national incomes policy, for example, many people contend that all we have to do to rectify the maldistribution of income that occurs before taxes are applied is to continue to have progressive taxation of the kind that gained some popular political support in the 1930's. This is particularly an argument—

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

Mr. Blais: No, Mr. Speaker; I am seeking the hon. member's permission to ask him a question.

● (1540)

Mr. Broadbent: Mr. Speaker, I would be very pleased to deal with that as I do not intend to take all of the 40 minutes allotted to me. However, I would ask the hon. member to hold his question until the end of my remarks.

Mr. Blais: I simply want to ask it now because it deals specifically with the point that the hon. member has reached.

Mr. Speaker: Order, please. The hon. member who has the floor is the one who will decide whether he will allow a question. Do I understand that the hon. member for Oshawa-Whitby gives that permission?

Mr. Broadbent: Yes, Mr. Speaker.

Mr. Blais: I would like to ask the hon. member for Oshawa-Whitby whether the figures he is reciting now relate to pre-tax income or post-tax income, and whether he has comparative figures relating to income after taxation with respect to these various sectors in the income groups?

Mr. Broadbent: Mr. Speaker, the question is perfectly timed. The figures I gave were pre-tax income. The point I was coming to is that a number of people, particularly in the Liberal party and Conservative party, have said, "All right; you can rectify that situation by 'our' progressive tax policies." Now, I want to provide the hon. member and others with statistics that deal with distribution of income after taxation. I will now deal with the post-tax situation. I will deal with the question of who pays proportionately most taxes in Canada and who benefits proportionately most from government services and programs.

According to a study done earlier this year for the Economic Council of Canada by Mr. Allan Maslove, entitled "The Pattern of Taxation in Canada" we find, after considering the net effect of municipal, provincial and federal taxes, that the tax structure in general is extremely regressive, with the upper income groups paying proportionately less than their share, and the lower income groups paying proportionately more than their share. Who bears the least load of the tax burden? That question is posed and answered in the study to which I have referred. The answer is that those whose incomes are $12,000 and more per year bear the least load of taxes in this country, which is the direct opposite of the effect a progressive tax system should be achieving.

If the rich bear the least load of taxes the question must be asked: who benefits proportionately more from the programs and services of governments? The study reaches the conclusion that the upper income groups benefit proportionately more than the average and lower income groups. It seems to me that in a period of five minutes it would be very difficult to reveal a set of statistics to this House that are more damning of the workings of parliamentary democracy in this country during the past 20 years.

What I have tried to show with respect to pre-tax income is that over the past 20 years there has been little change. The rich are still getting much more than their share of income, and the poor are receiving fantastically less than their share. Spokesmen for the Liberal party and the Conservative party for years have said that they would rectify the situation, but there has been no improvement in the situation with respect to the distribution of income after taxes. Instead, we have a worsening of the situation. That is a shocking condemnation of taxation policies enforced at municipal, provincial and federal levels. It seems to me that the bill before us has to be seen in that context.

When Prime Minister Mackenzie King introduced the original Family Allowances Act in 1944 he said the intention of the measure was to provide real equality of opportunity for young people. It seems to me that when we talk about family allowances we must talk about distribution of income and how family allowances can redress inequalities in it. I and my party strongly support a universal system of family allowances precisely because here we can tax all those who can afford to be taxed, particularly upper income Canadians and corporations, and redistribute money to those who are in need.

I cannot forgo the opportunity to comment on the actions of this parliament last spring when it voted $500 million in concessions to Canadian corporations, concessions that, according to all serious economic analyses made by authorities outside the political parties and the government structure, were entirely unwarranted. Here I am talking about responsible economists. Not one argued that tax concessions totalling $500 million were necessary for the Canadian economy.

I do not at all question the personal integrity of the man who preceded me in this debate, but I do point out the contradictory actions of his political party, which last spring voted in favour of $500 million in tax concessions to corporations which had been making the largest profits in Canadian history. Now, he comes along and tries to act as the spokesman for the average and poor citizen. It seems to me there is a basic contradiction in that kind of action, a contradiction that cannot be tolerated by my party.

If we had divided the $500 million in concessions to corporations among the 3½ million families that have children, we could have given each family about $140, which really would have done something to redistribute income in Canada. It might even have reversed the statistical pattern with respect to the distribution of income over the past 20 years. But the Liberal and Conservative parties decided the corporations needed the $500 million more than the average income people and the poor citizens of Canada.

In conclusion, Mr. Speaker, I wish to say that we in this party certainly support the $12 minimum family allowance payment. In view of the current fantastic surplus position achieved by the Minister of Finance (Mr. Turner) we believe it could be increased to $20 now, instead of next January. But we support the measure because it is a universal scheme. Again I remind hon. members that even if the family allowance goes up to $20 per child, and even

if this is an important step, it remains a small step in dealing with the grotesque inequalities that exist in our society. This parliament should be dealing with those inequalities on a priority basis.

● (1550)

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, the bill before us gives us an opportunity to think over a few things, and I believe that could be beneficial. Mr. Speaker, what is accomplished through this bill? I think it palliates at the very least some oversights that were allowed to continue to exist since the advent of family allowances.

It will be remembered how for several years our party insisted on the absolute necessity of setting family allowances at a reasonable level which would at least enable us to acknowledge the value of the most important element of a population, the very people who make up that population. And since the advent of family allowances, the small adjustments which were made have always been stingy ones which failed to grapple with the real problem. It was considered more urgent to deal with other types of subsidies and expenditures without realizing that it was absolutely necessary to guarantee at least reasonable allowances to that major element of any population that is the continuance of the family. There was a failure to deal with that to the extent that for a long time family allowances have been simply ridiculous, and still are. It was simply a mockery to continue to give such allowances.

I will be told of course that this bill will solve the problem. I say, Mr. Speaker, that it is not true. Of course if we compare an $8 allowance with a $12 allowance, there seems to be a significant increase but it was so unfair to give $8 or $10, as the case may be, that what is now being done is far from solving the problem—even if the mathematical increase might be fairly great.

That is why we wonder why in trying to solve such a problem the work is not more in depth than it is. Why not set logical standards? Why not begin at once for instance to deal with the integration of family allowances in a comprehensive system, under which all Canadian families would be guaranteed the necessary minimum income, so that every Canadian could live decently notwithstanding his age? Sooner or later, we shall need an integrated system of that kind instead of skimming over the family allowance issue, as we are doing now, by granting a certain increase to children up to 16 years of age. We contend that it is not enough. A little more should be granted and thus more respect would be shown the Canadian family.

We agree on that, but we should like the government to realize that there is much more to be done and we would want it especially to consider seriously the possibility of solving the problem once and for all through the establishment of a guaranteed annual income system.

We talked about that very during the last election campaign. We say, and we have supporting evidence, that we can realize that immediately, notwithstanding the arguments the minister could put forward against it. And once we will be provided with an integrated guaranteed annual income program, controls will be lessened and we shall no longer be faced by this illogical situation when control and administration are more costly that the benefits paid.

We are still faced with this situation and this is why we should think about it if we truly want to find adequate solutions to this problem.

Many shortcomings should be corrected. I know that everything cannot be settled at the same time but we should at least indicate some kind of orientation and I would like to point out the inconsistency which consists in an exemption of $300 per child.

Mr. Speaker, we know about today's cost of living. We know that the new benefits will be far from adequate, that they will not help the families and yet we still accept those figures. How can we encourage the Canadian family? How can we give to each family the ambition and ideal required to reach education, progress and so on since nothing truly encourages the families. This is why when speaking about family allowances we should relate them to the overall situation of Canadian families. This is why I wanted to point out those facts.

If the government thinks that it will please the people and correct major problems with such a bill it is deluding itself, for not much will be cured in this way. At least if the Minister had agreed to immediately raise these allowances to $20 instead of waiting until the 1st of January 1974, or if he had made the increase retroactive at least to the beginning of 1973, it could have been considered as a more tangible effort the effects of which could have been felt immediately throughout the Canadian economy, since any increase in the purchasing power of the Canadian people could help fight against the calamities which are confronting them: inflation, price increases, and all the other problems which we are facing, Mr. Speaker.

I think that the Minister should think of all these factors which will eventually prompt us to contemplate long term instead of short term solutions. How long will such a law be adequate? How long will we be able to say that we finally found a solution?

That is why we cannot discuss this matter without thinking about the basic problem—a guaranteed minimum income—and that is why also we must think, Mr. Speaker, of the constitutional difficulty as we all know that the government of Quebec in particular jealously wants to control social security. The Quebec Social Affairs Minister tried some time ago, and on that point I agree with him, to set up an integrated social security program. Everyone is aware that it is very difficult to set up such a program when there is a lack of co-ordination, when there is a lack of agreement and when each government follows its own particular way.

At the time it was accepted that the federal government should administer family allowances, we were then of course going against the constitution, but once the population has accepted this principle, of course I am not against the idea that it should continue to accept it. It seems to me however, that a federal government should at least, if it has taken over that field, have the decency to establish logical standards which do not make a mockery of us. When we offer to the provinces such ridiculously small allowances, as I was saying earlier, we do not seem to have the authority of a national government. This is possibly

one of the reasons which prompted the government of Quebec to give its own family allowances. I believe this is quite sufficient proof of the inadequacy of the federal family allowances.

If through legislation we are to establish a general standard for the whole country, I agree, Mr. Speaker, but let us establish a standard which is perfectly admissible throughout Canada and which really reflects the needs of the standard family in Canada.

As to the amount of $20, I do not think it is sufficient and this is why, in concluding, I should like to say again that we must not only find palliatives immediately and try to lessen the difficulties encountered by families, but think right now of establishing programs in order to guarantee everyone this famous material security we need to free ourselves and develop better.

It is our role to find solutions. And it seems to me that it is our duty to say so, insist on old age security pensions and family allowances, Mr. Speaker. Each time we touch on this, we always touch on the basic problem of income security.

And our party has concrete solutions to propose to that end. We do not have reserve rights on this; we are prepared to see the government and the Minister of National Health and Welfare (Mr. Lalonde) in particular steal that beautiful concept from us and we will be very happy to assist them and then some. This is the way we conceive our political role in this House and we want to co-operate with everyone to satisfy all Canadians in a real and concrete way.

Mr. Francis Fox (Argenteuil-Deux-Montagnes): Mr. Speaker, the world of reasons and explanations is not the one we live in. Today I begin my speech with these words by Jean-Paul Sartre not because I am an existentialist but because we are debating today a fundamentally practical measure designed to make the daily life of thousands of Canadians easier.

Mr. Caouette (Témiscamingue): That is what Moses used to say!

Mr. Fox: They do not say the same thing in Témiscamingue.

The world of existence in Canada, in this month of September 1973, is a world in which some Canadians suffer a great deal from rising prices, especially food prices. The world of reasons and explanations, to come back to Sartre, and not to Moses, shows us that these upward trends are for a large part beyond our control. The bad crops of last year practically everywhere in the world, an increased global demand for quality food products, the fact that we have to import from abroad food products such as coffee and sugar,—to mention just a few—,are the main causes of this situation.

But what course of action can we take confronted with such a situation: A few countries such as the United States tried price control and this proved to be a failure. With the increase in the cost of food, the American stockbreeder was obliged to kill his cattle prematurely since the established price brought about a loss which resulted in a shortage of meat throughout the United States.

In Canada, we managed to resist applying simplistic measures to deal with rather complex economic problems, which enabled us to avoid some of the problems that the American people were faced with.

It is often said that price control is the appropriate answer. Well, in such a situation, food prices in the United States have increased, between December and March of this year, twice as fast as food prices in Canada.

In a letter to the *Wall Street Journal* on April 24, 1973, American economist J. K. Galbraith, one of the most powerful promoters of selective price controls, denounced a price control policy during a shortage period. In addition, price control is not a synonym of freeze. In Quebec, for example, the price of consumer milk controlled by provincial authorities has just been increased as was the price of bread. I do not think moreover that government authorities should set the minimum retail resale prices. Setting maximum resale prices can be justified from an economic point of view but not minimum resale prices encouraging the economic inefficiency of the retailer whose costs must eventually be borne by the consumer.

It might be appropriate, at this time, to refer to the competition legislation introduced in this House by the present Minister of State for Urban Affairs (Mr. Basford) who is responsible for the Central Mortgage and Housing Corporation, who was, at that time, Minister of Consumer and Corporate Affairs. Through this legislation, the federal government proposed precisely that minimum retail prices be declared contrary to the law and that only maximum prices could be established.

I could go along in this vain for quite a long time, I think, but what is important, in the long run, once reasons and explanations have been analyzed, is to take some action. And this is what the government did this year, by way of tax reductions in the budget speech and through the measures announced by the right hon. Prime Minister (Mr. Trudeau) on September 4.

The statistical analysis brought to the attention of our Special Committee on Trends in Food Prices proves clearly that the burden of recent price increases weighs most heavily on Canadians on low and fixed incomes. Studied as a whole, the figures compiled in 1972 by the OECD reveal that, in 1971, Canadians spent 20.6 per cent of their income on food, whereas the Americans spent 16.7 per cent, the Japanese, 26.6 per cent, the Germans, 24.2, the French 27.5 and the English almost 24 per cent. It must be remembered that in Canada, 15 years ago, as the Minister of National Health and Welfare (Mr. Lalonde) pointed out on September 7 last, 38 per cent of the family budget was spent on food. This means that, despite inflation, the lot of the Canadian consumer has, over the long term, considerably improved.

Often, however, such statistics, instead of revealing the extent of the problem some families may know, manage to cover it up and people look no further. Still, if Canadians, generally, spend 20 per cent of their budget on food, the low-income family has to devote to food a higher proportion of it.

[*English*]

The National Council on Welfare, in an excellent report on nutrition published in March of 1973 and entitled "One

Child, One Chance", refers to a recent survey conducted by Statistics Canada. The council stresses in its report the importance of food costs to different types of families. For instance, a family of four with an income of $12,000 spends about 15 per cent of its disposable income on food, whereas the same family of four with a yearly income of $4,000 spends 32 per cent of its income on food. Since controls in a world shortage situation can only lead to reductions in output and to rationing, it seems clear that the most rational course of action is to adopt measures which will lead to increases in agricultural output, which will lead in turn to lower prices and in the meantime to put more dollars into the pockets of Canadian consumers so that they may face increased food costs.

● (1610)

If we wish to have a stable and growing agricultural industry, farmers must be able to make investment decisions with the assurance that they will receive reasonable rewards in return for their labour and investment. Stable prices will lead to rational investment decisions. But it is incorrect to believe that farmers will produce in abundance if their investment decisions are to be made in a situation where prices vary wildly from year to year, and if they cannot have some certainty that when their produce is marketed they will not be subject to extreme highs or extreme lows in prices.

The increase in family allowances to $12 is good news for the 3.5 million Canadian families responsible for the 7.5 million Canadian children. This measure, along with the reduction in taxes announced in February which average out to about 12 per cent, reductions in tariffs on imported foods, the substantial increases in universal old age pensions from $82 to $105 within a few months, subsidies for milk and bread, the full indexing of pensions paid by the government of Canada, are important and effective measures.

[*Translation*]

Mr. Speaker, I do not want to pass in silence over the magnificent work carried out by the Minister of National Health and Welfare in the area of family allowances. Not so long ago, some newsmen saw in this federal program the stumbling block for Canada. They nearly wanted to bring this country to an end because the federal government suggested increasing the amount paid to the people of this country. Thank God ridicule does not kill for otherwise Quebec would have too few editorialists. The discussions held between federal and provincial authorities in this area show instead that following discussions and bargaining, although points of views may differ on some questions, the real interests of our people shall prevail over jurisdictional disputes, while respecting the necessary autonomy of each level of government.

Once these disputes have been settled, editorial writers no longer mention them. They prefer looking for other issues which they may consider again as as many stumbling blocks for Canada. We may some day come to realize that a certain level of dynamic tension in federal-provincial relations is only normal and healthy, when this tension reflects differing points of view which are finally reconciled in the light of universally acceptable solutions.

The minister, in agreement with his provincial colleagues, has succeeded in that field in devising a formula benefitting the Canadian people, while complying with provincial government priorities and interests. This is no victory of one level of government over another; it is only a victory for all those who believe in a Canada whose main objective is to afford development possibilities to all its citizens.

[*English*]

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have made several speeches on family allowance legislation in the five years that I have been in this House. Along with the number of questions and motions that I have put forth, I am sure this results in a lengthy listing in the index to *Hansard* under my name. I hope therefore, that this will be one of the last occasions on which I shall have to ask for the passage of all stages of Bill C-223 as quickly as possible so that we can get on with the new bill that will give increases up to an average of $20 to all children in Canada on a universal basis. We hope, as the minister promised, that this will be implemented in time for the cheques to go out in January. The hon. member for Hillsborough (Mr. Macquarrie) has indicated the co-operation of our party on all social security measures introduced in the House this week which will help relieve some of the suffering of those who must rely on the government for assistance. I am sure that all hon. members who speak will confirm this co-operation.

I do not think I have to remind most hon. members, but I feel it is necessary to point out that this is the fourth bill which has been introduced on family allowance legislation. Yes, Mr. Speaker, we have had four bills since the government introduced its first white paper on income security almost three years ago, in November, 1970. Since that date, we have had a white paper and an orange paper; we have had numerous studies to point out what should be done under social security programs for the country and we have had four bills. At this stage, three years later, the needy children of our country have not seen, nor have the mothers of those children seen, one additional copper to the amount afforded under the family and youth allowance measures which were introduced back in 1945. Bill C-264 and Bill C-170, which were introduced in the last session, are now commonly referred to as the FISP fiasco. I could spend many long hours reviewing the circumstances which we faced over many long months in dealing with those two bills which came to nothing through the incompetence of the government, but in order to speed up second reading I will await the opportunity to elaborate when second reading of Bill C-211 comes before the House again.

I should like to remind the hon. member for Oshawa-Whitby (Mr. Broadbent) what happened to the FISP bill. He can say what he wants, but if I understood him correctly, he indicated that it was the New Democratic Party which prevented the bill from becoming law. At that time, the New Democratic Party, along with our party, tried to introduce many amendments to the FISP bill which contained many inequities. It was a bad bill, but I can confirm that the majority of our members were prepared to vote for it because at least it would have helped the many children in the country. It was the hon. member for Trini-

ty (Mr. Hellyer) who at that time was sitting as an independent, who took the technical action to stop that bill.

We had Bill C-264 as well as Bill C-170 and now we have Bill C-233 which will give temporary increases to $12 per month to all children up to the age of 18, hopefully for the months of October, November and December. Everybody seems to agree with the bill, but the fact it is before us proves that the same objective could have been accomplished by a similar simple amendment in 1970 when there was a need, as expressed by the government, to help the children of our country and there was every reason to do so. Certainly, this action could have been taken earlier when the cost of living got out of control just a few months ago. I, and many other members, have made this suggestion for some time now but to no avail. In May of this year, Mr. Speaker, I suggested this course of action to the government, and that is on the record in *Hansard*. To quote from a late show debate on May 17, at page 3906, I am reported as saying:

> The present family allowances bill could very easily have been amended as it presently exists, if there was any semblance of sincerity by the minister, instead of playing political football with poverty-striken Canadians.
>
> All they would really have to do, if they were concerned, would be to amend the clause in the present family allowance bill, which signifies the amount now received, by a greater amount. The only other clause required—

Which I recommended at the time—

> —would be the insertion of a clause dealing with annual increases in the cost of living. This was done very simply under the old age security bill and the war veterans allowances bill and it could have been passed in record time.

Is this not what we are doing now, Mr. Speaker, apart from the insertion of the cost of living index? Could this not have been done back in 1970 when the then minister and the government agreed that, as part of their income security plan, poor families had to be given increases in family allowances? But this was not the concept of the government at that time. They were talking about selectivity in 1970 and they got themselves in such a mess with Bill C-264 and Bill C-170 that the computers could not even cope with it. Now, the minister is back to universality, with which we agree, and which everyone was suggesting with regard to family allowances three years ago.

In any case, I hope that the government has finally seen the light and that the minister will keep his promise that these increases will be contained in the October cheques. I am sure the mothers of the needy children in the country are beginning to get pretty skeptical about the government's promises on allowances. If we go back over the experience of the past three years we will see why. I appeal to the minister and the government to make every effort to implement these measures. The situation in which those citizens who have to resort to welfare find themselves is at a critical stage. It is particularly critical for the many thousands of children in these families. At least it will give a little relief to the families in my province who cannot cope with the galloping increase in the cost of living.

[Mr. Marshall.]

• (1620)

For example, under the Canada Assistance Plan and the social assistance program of my province, a family of five in Newfoundland will get the magnificent sum of $215.00 per month. This particular family, taking for granted that they have three children under the age of 18, is now probably getting $22 under the present family allowances scheme. So, presumably, they will get an extra $14 per month. Together with family allowances, this family's income will now be $250 per month. I mention this, Mr. Speaker, because even though the increases will be welcome, they will not improve the lot of this family to any great extent. Really, we should be discussing in parliament, before we leave, changes required in the Canada Assistance Plan, because many thousands of people on welfare just cannot cope with the cost of living today.

The Minister of Finance (Mr. Turner) said yesterday that government policies were directed towards relieving the suffering of those on fixed incomes. But he left out a few other citizens, Mr. Speaker. No mention has been made during the past three years of the blind. The minister has been questioned about the disabled people in our country who are under 65. How do they cope? Allow me to refer to another example that affects people in my province. Two people on long term social assistance in Newfoundland get $140 a month on which to live.

I should like to read one of the many hundreds of letters I get from people in this category. It reads in part:

> Dear Sir:
>
> I was wondering if you could give me any information on social assistance.
>
> I have been out of work now for six years with a bad heart, and my wife, she has angina of the heart. I am getting up in years. I am 64 and my wife is 58, so I was wondering if there is anything better than the $140 a month.

The writer went on to say that war veterans of his age are getting aid, and that they deserve it. He says that he owns his own home, pays $315 a year tax, and his heating bill is between $40 and $50 a month. In addition, he has to pay the light bill and for repairs to his home, as well as for clothing for himself and his wife. He appeals for help. He says, near the end of his letter:

> So you can see for yourself what I have to live on. I am not living. I am just waiting to die. So I would appreciate it if you would let me know if there is anything going to be done.

That is typical of the many hundreds of letters that I get from people residing in my own and other parts of the country. Every time I ask the minister about this problem, the broken record is turned on: this is a provincial responsibility and we pay 50 per cent of the cost of social assistance.

The Prime Minister (Mr. Trudeau), in his address last week, repeated that pledge which means nothing, namely, that if the provinces agreed to raise social assistance, the government would pay 50 per cent of the cost. Isn't it time, Mr. Speaker, that there was a halt in this game of passing the responsibility back and forth between the two levels of government and something positive was done to relieve the suffering of those citizens who do not have the means or ability to cope with inflation? Is it not time we revised the Canada Assistance Plan to allow for a bigger contribution by the federal government, particularly in the have

not provinces? And isn't it about time that the minister called an emergency conference to deal with this program? This is a very critical matter.

I know that the minister is sincere in his attempts to relieve the poverty that exists in our supposedly great nation, but we are overlooking the plight of too many of our citizens. We can deal in some measure with our senior citizens, because they come within our jurisdiction when they reach 65, and thank God we have reached the stage where two people over 65 can get $325 a month. Under the government's new proposals they will get a little more. But what do we do with people who are 64 years of age? They can be sick or maimed and suffering under the worst circumstances, but our laws allow us to give them only $140 per month. The minister said in one of his speeches that the level of social assistance which is given to the poor of the provinces is a national disgrace. How true that is.

Another serious problem that we, as responsible parliamentarians, should be dealing with is that of the working poor. Once again I will give examples from my own province. At the present moment, a group of hospital workers in Newfoundland is striking for higher wages. Nobody wants strikes, particularly in essential services, least of all the workers themselves; but how are they to cope with the rising costs of food, shelter, oil and other necessities of life? One of these employees gets the grand sum of $55 per week, in this day and age; another gets $420 per month after 20 years of service; another gets $312 per month after having worked for nine years. They have to bring up families. Is it fair to allow that situation to exist in our country?

Yes, Mr. Speaker, I agree that the increase in family allowances will help these people a little bit. I realize also that this is a provincial matter. But surely the federal government must face up to the disparities in our country, show some leadership and live up to the pledge of the Prime Minister, who stated in the throne speech five years ago that this government was committee to providing a decent quality of life to all Canadians, in all provinces, wherever they may live.

I think the minister should be complimented for bringing in this measure to increase family allowances; however, the problems of our youth are much broader. I hope the minister will consider other programs during the three to five years it will take to introduce social security program for Canadians. More effort must be directed towards youth development. Children in this day and age are growing up undernourished, so they will be unable to cope with society in later years because of that fact.

Let me read one more note from my mail, Mr. Speaker, on the subject of the nutrition of our Canadian children. I shall quote in part from a letter from a school board supervisor in my district. I will read the following extract:

> It can be stated with a reasonable degree of certainty that the ability to learn is closely related to nutrition; thus we find that often as not the child suffering from malnutrition will either find himself in a 'slow' or special education class. It is obvious that under such conditions the school is not only confronted with instituting special programs in an attempt to remedy the problem but the child's interest in school diminishes to the point that it is likely he will drop out as soon as possible.

The partial solution to the problem is the instituting of diet supplementary programs in the schools, because it is in the school that the problem can be discovered more readily. The difficulty is, of course, that funds are not available for this kind of program. Once again, when I bring this problem to the minister's attention, it will become a provincial problem because education comes within provincial jurisdiction. At the same time, these children are suffering from inadequate diets and lack of proper nutrition.

The school board to which I referred attempted to institute a program involving eight schools. Under it 200 children were supplied with soup, crackers and hot chocolate and, in conjunction with this program, special education classes were conducted. It is obvious that we are not in a position to serve all the children but can take care of only the most pressing cases. Of course, the ideal situation would be to make a similar type of program available to all children. I am sure we could find, even under the British North America Act, a way to bring such a program under the Department of National Health and Welfare which would ensure that children would develop properly in body as well as in mind.

Some hon. Members: Hear, hear!

Mr. Marshall: Mr. Speaker, in the interest of passing this bill I will refrain from further remarks. I shall only say to the minister, bring the bill before the House, let us get it through and let us get on with the job.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I will make a few brief remarks on the bill before us which I think is quite important in view of the present circumstances.

I listened carefully to some speeches. I know the minister has often been asked why he was not making available allowances of $20 or $25 and why he was not doing so immediately?

Mr. Caouette (Témiscamingue): Because the minister is too slow.

Mr. La Salle: Mr. Speaker, I will limit my remarks to the bill and try to make a suggestion to the minister which I think deals with the problems with which we are faced.

As all other hon. members, I will be pleased to support a legislation which mathematically is very interesting, and I also feel that the increase in allowances to $12 as of October 1 will be quite welcomed by all mothers and, or course, their children.

I would like especially to ask the minister to give particular attention to the age of eligibility. We know quite well that when family allowances came into being, the age of those who completed their education was a lot closer to 16 or 18 than today.

We also know the important changes that took place in the field of education. By that, I mean—I have four children, so I know what I am talking about—that today, because of the deep changes made in our education systems, children must have lunch at school and spend a lot more money than it used to be.

We also know that even if we talk of free education, it does not really exist. Therefore, in view of the additional costs, which today are enormous, I wonder if the minister would consider the possibility of granting family allowances at least until the age of 21.

An hon. Member: Until 25.

Mr. La Salle: We know that today a large percentage of the students do not complete their studies until 21 and even later. I wonder to what extent we could reasonably ask the minister to consider this possibility. The generous additional income which has been granted and which will be available on January 1 would be more helpful to families if the age limit were raised to 21. After seriously discussing the matter with several of my constituents—instead of making a survey—I believe that they are very much in favour of this and endorse my arguments. They find it quite normal that we should consider the possibility of raising the eligibility age to 21. Of course, we could again consider that as long as the child is at school.

● (1630)

Now, I take the liberty during consideration of this bill—which, once again, I consider very worthwhile and will support most willingly—of asking the minister to consider that possibility.

Also, we ask the minister to increase immediately the allowances to $20. As I understood the bill introduced by the minister a few months ago which will come into force in January, it does seem that this basic minimum of $12 will be granted across the country and that the surplus of the general average of $20 will enable the provinces to grant it to large families or people with inadequate incomes, where the need is greater in their opinion.

I would like to take advantage of this opportunity to say that I am very happy to see that the provinces will be able to adjust the family allowances while respecting first of all the national basis, but with the possibility of adjusting the amount from $12 to $20, on the basis of need.

I suggest, as the hon. member for Argenteuil-Deux-Montagnes (Mr. Fox) said earlier, that this respect shown to the provinces, this opportunity granted to them, deserves of course some congratulations to the Minister who understood and accepted it; therefore the provinces that wish to exercise this power will be able to do so provided that they respect first of all the principles established by the federal government.

Therefore, I hope that on January 1st, we will have the opportunity of rising these allowances to an average of $20, and I understand that if the Minister—I think this is correct—cannot increase or did not deem advisable to increase immediately these allowances to $20, it is because in January the provinces will have to adjust this amount insofar as they have the authority to do so. And of course, in view of the fact that the $20 allowance will be taxable in January, it might be inconvenient for the people to receive an amount of $20 which would be reduced later on the basis of the provincial policy.

I wanted to make these few comments and again repeat these things bringing them to the attention of the Minister in order to know whether the eligibility age might be raised to 21 for the reasons I referred to earlier. I want to say of course that I am quite in favour of this increase which will be, I am sure, welcome by all the mothers and I hope that the government will not wait as long before considering again the need for an increase in these allowances based on the increase in the cost of living or the cost of services.

In conclusion, I would like also to state that this might be the way we could perhaps manage to increase the birthrate. Of course, it is often argued that there are less children as a result of the very high cost of living today. I think that this is an argument that we should ponder upon.

I could very well get carried away and say that raising allowances from $12 to $20, as some others have proposed, is inadequate; I could call for $30, but I would like to be rather positive and realistic. To the extent that it will be possible for the government to pay allowances directly related to the child and the family, to the extent that we will be able to ensure an adequate income to families, which would alleviate the very great difficulties which we encounter, we will perhaps be able to believe that it will be more tempting for a couple to raise more children.

After all, we know that there are young couples who have many reservations about the difficulties which have beset their parents and about the cost of living in general.

Thus the bill represents an improvement. Can the government or Parliament review it much more frequently? That is quite possible, and I only hope that it will.

Generally speaking, like so many other hon. members I welcome this most acceptable increase and you may be sure that I shall not hesitate at any opportunity given me to reiterate the requests we have to make in order to bring in more relief to the general public.

[*English*]

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I enter this debate only briefly because it is most important to pass quickly this measure which will increase family allowances and get some extra cash into the hands of mothers who are facing rather substantial rises in costs this fall, particularly for food but also for clothing which their children require as they return to school.

That there is an urgent need for these additional consumer dollars, there is no doubt. This is especially true where the wage earner is not in a strong position to bargain for pay increases which would help him and his family to meet the rising cost of living. Unfortunately, there are still too many people in Canada who are not in a strong bargaining position. Others, the average Canadian worker, have not only been able to keep up, but in many cases to get ahead of the increases in the consumer price index.

Some statistics have recently come to my attention which show that during the period 1969 to 1972, the average weekly earnings of Canadian workers, and this is indicated by the industrial composite, increased by an annual average of 8 per cent. That is more than twice the rise in the consumer price index. The quarterly change for the first quarter of 1973 over the last quarter of 1972 indicates a rise in the wage earnings of 2.3 per cent compared with a 1.9 per cent rise in the consumer price

index. These figures point out that the average wage earner has been able to keep up with, and in fact get a little ahead of, the rise in the consumer price index.

It can be said that for most people in Canada, wage and salary increases have enabled them to adjust and even somewhat improve their standard of living. However, and this concerns all members of the House, what is true for most Canadians is certainly not true for all. This has been brought to our attention by many members, including the hon. member for Oshawa-Whitby (Mr. Broadbent). Many Canadians who are in a weak bargaining position for one reason or another have suffered a great deal because of the inflationary situation which now faces them. In addition, what has been true about wage increases up to the end of the first quarter seems not to have been the case with respect to the second quarter of this year.

● (1640)

The President of the Canadian Labour Congress said recently—and I have no reason to doubt his conclusion—that Canadian workers lost one dollar a week in purchasing power in the second quarter of this year as a result of inflation. He went on to say that the workers are trapped on all economic fronts and that there are no brighter prospects before them in the foreseeable future. The proposal to increase family allowance will help all workers to offset the loss of purchasing power sustained in the second quarter of the year, and, more important, it will assist those on low incomes to provide the basic necessities of life for their families.

I should like to move, now, into another area related to family allowances. It has been said in the past that the family allowances program assists in providing equality of opportunity for all Canadian children. This view was also expressed a short while ago by the hon. member for Oshawa-Whitby, a member for whom I have great respect. He spoke as an egalitarian—I believe he would consider himself as being one. He thought the program should go further than it does and he praised it particularly on the grounds that it provided for equality of opportunity. Almost everyone agrees that the family allowance program is a good one. Middle-income families have come to accept it and expect it, and any attempt to eliminate the program or to revise it in such a way as to help only those in the greatest need would be met with strong resistance. The strength of such resistance has already been shown.

As I say, it is a good program, a program accepted by most Canadians, and one which is now being improved. But we should not claim too much for it. To say that it equalizes opportunity for Canadian children is to go further than is right or appropriate. No matter how large the payments may become in the future, and the minister has already told us there will be a further increase of up to $20 per month per child in 1974, and even if they were to rise as high as $40 or $50 a month per child, we could not claim they would equalize opportunity for all children. Such a program could never move us toward an egalitarian society. I want to try to explain this point of view, and I want to do so carefully because I could easily be misunderstood.

The source of inequality of opportunity in our society is only partly economic; a large part of existing inequality is due to cultural inheritance. Much of the transmission of culture, in the narrow sense, occurs through the family, through the more subtle and profound influences upon the child resulting from love, integrity and family morale. This constitutes a kind of inheritance which cannot, at least for those above the subsistence level, be significantly affected by economic measures. To express these thoughts, Mr. Speaker, is not to cast any aspersion upon the family allowance program, but to place it in proper perspective. If we in the House of Commons could upgrade and improve the quality of family life simply by redistributing tax dollars, as some egalitarians would have us believe, life would be much simpler than it actually is.

Equality of opportunity is an elusive goal and we may be able to assist in modest ways by removing obstacles of one kind or another, but much of the task is entirely out of our hands. As we all know, many a child born and raised in a poorer home has achieved a good deal more and contributed more than others who were nurtured in affluence. This statement is in no way meant to be a justification of poverty or low incomes. That would be silly. But I do argue that the most important factor in equality of opportunity is the quality of parenthood, the quality which enables children to face the challenges of life without being overwhelmed by them. Economic measures alone are no substitute for the good and valuable influences exerted upon a child by his or her parents.

The history of family allowances in Canada shows us that the scheme was brought in primarily as a fiscal measure intended to bolster consumer spending. As such, the program stands on its own as a social security measure. That is what it is, and we should not wax overly eloquent by claiming any more for it in the way of equality of opportunity. The family allowance program is an integral part of the social security program because it recognizes that wage-earners are seldom in a position to relate their income to the size of their families. The birth of a child does not mean that a breadwinner is able to bargain on that account for an increase in wages or salary.

Although, as I have mentioned, the family allowance program is widely accepted throughout Canada at the present time, there are concerned people who raise some questions about it. Such questions have been raised at meetings in my constituency and it is appropriate to deal with at least two of them now. One question which has often been asked is whether this program encourages people to have more children—whether it is an incentive to procreation. It is true, as many authors have pointed out in recent works, that population growth presents a serious threat in today's world. I cannot, however, agree that the payment of higher family allowances, allowances which assist low-income families in financing child-raising, will automatically encourage people to have more children. The experience of other countries does not support such a contention.

Let me illustrate. We have been paying universal family allowances in Canada since 1945, while in the United States no such universal family allowance has been paid. Yet the birth rate in both countries has shown a remarkably similar trend. Both countries experienced fairly rapid declines in birth rates until the end of the 1930's, a small increase during World War II and a sharp increase thereafter until near the end of the 1950's. From then on, birth

rates have been falling quite dramatically. For example, in Canada the number of live births per 1,000 of population fell from 26.1 to 16.8 in the period 1961 to 1971. There is, therefore, no evidence showing a strong statistical relation between the existence of a family allowance policy and the rise or fall of the birth rate. For example, some European countries have quite generous family allowance programs, yet there has been no rise in the birth rate. On the other hand, in African and Asian countries, where family allowances are unknown, the birth rate remains high. Here in Canada, the province of Quebec since 1967 has paid family allowances over and above those paid by the federal government. The Quebec government has been the only one to do this, yet the birth rate in Quebec has dropped from 26.1 live births per thousand in 1961 to 14.8 in 1971. The birth rate in Quebec is now the lowest of all Canadian provinces.

● (1650)

I realize that there are other factors that also have to be taken into account in assessing population trends. However, I believe it is reasonable to conclude that the presence or absence of family allowance does not appear to affect to any degree the birth rate of a country. In addition, one cannot argue, in all humanity, that because some persons may think certain parents ought not to have children, we should allow children to suffer from poverty and malnutrition.

It seems to me that other measures should be and are being adopted to encourage family planning. For example, the Department of National Health and Welfare has set up a program of public information and education on family planning. In addition, it is promoting the training of professionals and non-professionals who are engaged in providing family planning services as well as supporting family planning research projects. It is through these better programs of public information and education that we are attempting to come to grips with family planning. It is through the family allowance program that we are hoping to improve the living standards of the present generation of Canadian children who, through no fault of their own, may find themselves living in conditions of poverty.

That is one of the questions raised about the program; another is the claim that the increase in family allowances will require higher taxes. Let me reiterate what was said in the working paper on social security in Canada and what the Minister of National Health and Welfare has said repeatedly. The implementation of the new over-all approach to social security, including higher family allowances, will take place over time "within existing levels of taxation". The government has assigned a high priority to social reform. It seems to me that this is one of the very significant accomplishments of the present government and parliament. This means that, in deciding each year how to spend the tax dollars it has collected, the government will be assigning a great deal of importance to ensuring that appropriate amounts of money are allocated to fund the new social security programs, such as higher family allowances.

I conclude by saying that I commend the government for bringing in this measure to increase family allowances. I also share the interest of those hon. members who want this measure to pass without delay so that higher family allowance payments can be received by the mothers of this country to help them and their children, hopefully as soon as next month.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my comments on Bill C-223 will be brief. I support this bill to increase the amount paid for a child under 16 years to $12 beginning October 1, effective till January next. At present, as we all know, the family allowance payment for a child under 10 is $6, and for a child between the ages of 10 and 16 it is $8. The increase to $12 will not be taxable, and next January an average of $20 per child will be paid.

Although a newer member of this House, I have been looking with interest at what has been the Liberal government's policy on family allowances over the years, especially during the last majority government and the present one, and have been struck by the amazing number of reversals of policy that this Liberal government and its predecessor have undertaken. In 1972, when the Liberals had a majority government, they introduced a new family income security program. They tried to do what the hon. member for Thunder Bay (Mr. Penner) has just said was not the aim of the family allowance system; they tried to use the family allowance system as an anti-poverty program. Under that proposal, which thank goodness never did get through the House, a higher amount of family allowance would have been given to low income families and a reduced amount to middle and upper income families. Under that plan some hundreds of thousands of upper income families would have received no family allowance.

That plan was rejected. It was rejected because the benefits to be paid the poorer families were inadequate and the benefits for middle income families were unrealistic. For example, a family with an income of $11,000 having five children would receive only 75 per cents per child, which was absolutely ridiculous. The NDP opposed that plan for many reasons, as mentioned by the hon. member for Oshawa-Whitby (Mr. Broadbent). We maintained that family allowances should be universal.

We are now in 1973 and the Liberals have been chastised by the electorate and now form a minority government. A while ago the Minister of National Health and Welfare (Mr. Lalonde) grandly announced that, beginning in January of 1974, family allowances would be increased to an average of $20 per child and would be subject to tax. Why that change of heart? Besides the obvious foolishness of the FISP plan, the government is now in a minority situation and realizes that the NDP holds the balance of power. It knows that since NDP opposed the previous plan, it will certainly oppose its reintroduction. Thus the government has come up with this $20 family allowance plan commencing next January.

Then this month the government has introduced yet another plan to increase family allowances to $12 per child beginning October 1. Why this about face, this further change? The reason is that the cost of living has risen so dramatically, and the NDP told the government a few weeks ago that an immediate increase in family allowance was one small way to help compensate families and enable them to meet the rising cost of living. But as is typical of Liberal government policy, it is too little, too late.

I see it is now five o'clock, Mr. Speaker, so may I call it five o'clock and continue after the supper adjournment.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Victoria (Mr. McKinnon)—Veterans Affairs—Victoria, B.C.—Possible transfer of hospital from federal authority—Request for consideration of views of veterans; the hon. member for Winnipeg North Centre (Mr. Knowles) Veterans Affairs—Inquiry as to increases in war veterans' allowances; the hon. member for Edmonton-Strathcona (Mr. Roche)—Health—Request for assistance to Alliance for Life.

● (1700)

It being five o'clock p.m. the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills.

Mr. Reid: On a point of order, Mr. Speaker, I believe there has been agreement to take the bill standing in the name of the hon. member for Surrey-White Rock (Mr. Mather).

Mr. Deputy Speaker: Is it agreed that the House proceed to consideration of Bill C-35, An Act to amend the Motor Vehicle Safety Act (seat belts) standing in the name of the hon. member for Surrey-White Rock?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

MOTOR VEHICLE SAFETY ACT

AMENDMENT TO PROVIDE FOR MANDATORY EQUIPPING OF VEHICLES WITH SEAT BELTS

Mr. Barry Mather (Surrey-White Rock) moved that Bill C-35, to amend the Motor Vehicle Safety Act (Seat belts), be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, the purpose of this bill is to amend the Motor Vehicle Safety Act in such a way as to include a change which would make mandatory the equipping of all commercial motor vehicles, notably trucks and buses, with safety restraint seat belts, and further would make mandatory the use of such seat belts by the operators of commercial vehicles. Similar legislation is now in effect in

the United States and is saving lives on that country's highways. My contention is that the passage of this bill, or the furthering of what is proposed in it, would also have a good effect in Canada.

In Canada 5,000 people are killed, 190,000 people are injured—many of them for life—and $1 billion is the economic toll taken by traffic accidents every 12 months. To put it another way, in each and every week in Canada 1,000 Canadians are killed, 3,500 are injured, and the dollar loss is multimillion. If you consider this toll on the order of a war in which people are slaughtered, the economic loss is immense. We can calculate the cost of this road war for, say, a four year period. In the last four years 20,000 Canadians have been killed, 750,000 others have been injured, and no less than $4 billion have been lost, all through traffic accidents.

This is a toll comparable with that in a major war. I consider it demands more attention and more action on the part of the federal government and the provincial governments than have been given to it so far. We cannot hope to end this type of war, but I submit that with proper consideration we can hope to bring about a reduction in the toll that it takes, and perhaps produce an armistice during which we can have time to consider and put life saving legislation into effect. The three main features of motor vehicle accidents concern the driver, the vehicle, and the road or driving conditions. My proposal has to do with two of these elements.

In the United States commercial vehicle accidents involving the vehicles covered by my bill claim 10,000 lives a year, with 124,000 persons disabled. In our terms, if we take the usual one-tenth standard with regard to the difference in population between the United States and Canada, this would mean that approximately 1,000 Canadians are killed every year and approximately 12,000 are injured in bus and truck accidents.

Towards reducing this loss the United States department of transport, the federal highways administration, in 1970 introduced regulations providing that seat belts for the drivers of buses and the drivers and co-drivers of trucks and truck tractors had to be installed in all motor vehicles used in inter-state or foreign commerce built on or after July 1, 1971. Older vehicles manufactured after January 1, 1965, had to be fitted with seat belts by July 1, 1972. In the news release which was issued with respect to this legislation it was stated that a landmark provision of the new regulations is the requirement that a motor vehicle, which has a seat belt assembly installed at the driver's seat, shall not be driven unless the driver has properly restrained himself with the seat belt assembly.

This is exactly what my bill seeks to achieve in Canada, the mandatory use of safety seat belts in commercial vehicles. I think it is clear to anyone who considers the situation that the drivers of commercial vehicles, notably buses or trucks, have many lives other than their own in their hands when they are driving such vehicles. It is obvious that if an accident occurs and the driver of a commercial vehicle, a bus or a truck, is not wearing a seat belt and is hurled forward, or into the roof of the vehicle, or ejected from the vehicle, the vehicle would be out of control, and very likely would be involved in the destruc-

tion of property, and the possible loss of the lives of people in other vehicles.

It has been estimated that the use of proper seat belts in trucks and private cars has cut the rate of fatal accidents by 40 per cent in North America. In this bill I am seeking to make a change in the safety provisions with respect to motor vehicles, a change which I believe is necessary and simple to bring about. No doubt other hon. members will argue that while the equipping of motor vehicles with safety facilities is a federal matter, the use of such facilities comes under provincial authority. This is quite true, and it presents a ridiculous picture.

The federal government, under the terms of the Motor Vehicle Safety Act passed by the House on March 11, 1970, has the power to prescribe, by regulation, the design, construction and functioning of motor vehicles manufactured or imported into Canada, including seat belts. But actually the Motor Vehicles Safety Act is not concerned with the use of motor vehicles since this is presently regulated by the provinces. We at the federal level can require seat belts to be in motor vehicles, but we cannot make any provision for their use.

In bringing this bill forward, Mr. Speaker, I am of course conversant with the facts I have just related. But what I am seeking here is not so much passage of the bill as drafted, but the referral of its subject matter to an appropriate committee of the House for further study, and hopefully the encouragement of federal-provincial action in an important and neglected field of Canadian transport safety.

In conclusion I would like to point out that this proposal is non-political in every sense. If the subject matter of the bill is allowed to be sent to committee for study and discussion, no doubt the committee can improve on what I have proposed. Passage of this bill or of similar legislation can save lives in this country. We in this House have the power to do that.

Mr. Don Blenkarn (Peel South): Mr. Speaker, I am pleased to see that an hon. member has introduced a bill that is not dissimilar to a bill introduced in the Ontario legislature by the provincial member representing the same riding as I represent, designated as Peel South. It is imperative that some regulation be implemented, some direction, some concrete steps be taken to indicate the desired safety requirements that must be installed in motor vehicles. However, I am a bit disturbed about the form of this bill, which indicates that the Governor in Council should pass regulations prescribing classes of belts and so on.

• (1710)

One of the greatest problems we have in this country is that pieces of legislation come before us with some good concept and then the bill goes on to say, "the Governor in Council shall by regulation—". Nothing ever happens, because in many cases the regulations are never formulated. Indeed, if they are, rules are made of a quasi-criminal nature which the citizen must respect, but these rules or regulations are never brought before the elected representatives of the country for discussion, comment and detailed consideration. They are in some way pulled out of the hat by someone off in his ivory tower who decides that he and not the elected representatives of the nation should make the rules. It is that kind of thing I cannot accept.

While it is imperative that the automobile industry should be given direction in connection with safety, it is also imperative that this House of Commons give that direction. It should not be left to the whim of some inspector in some office somewhere. On this particular issue, I should like to commend the automobile industry for the efforts it has made in past years in connection with the installation of seat belts in private automobiles. Indeed, I find today that one cannot buy an automobile in which the belts do not ring or the buzzers sound or that the automobile will not start without someone hooking up a seat belt. So, this is the situation in which a private industry, the automobile industry, realizing the safety problems and criticism it has suffered as a result of books written by Nader and others, has decided to do something on its own. I am surprised this government has not given the automobile industry guidelines concerning the kinds of things members of this House, representing the people of Canada, would like to see that industry do.

Really there has been nothing. There have been pious hopes that there be safe automobiles, but really what has happened has been that we have a captive automobile industry which imposes on Canadians safety standards perhaps not even worked out in Canada, and perhaps not even those desired by Canadians, but rather requirements which come to us from across the border. The industry in Canada receives no direction from the government concerning the kinds of things we, as Canadians, require for safety on our highways.

The hon. member for Surrey-White Rock (Mr. Mather) spoke of commercial vehicles. It is high time the government of this country, where commercial trucking means so much in the transport of goods and equipment, came forward with regulations, suggestions and an innovative approach to the industry to bring in safety features that would be appropriate to conditions in Canada.

Mr. Blais: Mr. Speaker—

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

Mr. Blais: Mr. Speaker, I have a question for the hon. member if he will allow it.

The Acting Speaker (Mr. Laniel): The question, of course, can be asked only with the consent of the hon. member.

Mr. Blenkarn: If it is a short question, Mr. Speaker, since I have only a few moments.

Mr. Blais: Mr. Speaker, I would like to know if the hon. member is for or against this bill?

Mr. Blenkarn: That is the kind of bright question I would expect from the other side.

An hon. Member: They should fasten their seat belts.

Mr. Blenkarn: That is right; they should fasten their seat belts because that is what they will need when they are fired out of here.

Let me say that this bill needs more work done on it. It is the type of bill which should go to a committee of this House but not in its present form. Indeed, what should happen is that a motion should come before this House directing the Standing Committee on Transport and Communications to make an investigation of the kind of regulations and suggestions which should be made for the automobile industry in connection with safety. I commend the hon. member for bringing this matter before the House. I know other members wish to speak on this subject, so I will conclude my speech now.

Mr. Mather: Mr. Speaker, I wonder if the hon. member, as he resumes his seat, would permit one short question from me?

Mr. Blenkarn: Yes, certainly.

Mr. Mather: Would he object to the subject matter, not the bill, going to a committee for further consideration?

Mr. Blenkarn: Mr. Speaker, in my view the whole subject matter should go to the standing committee immediately. There are a number of important matters on which leadership should be given to the automobile industry. We should not have to depend on foreign suggestions relating to safety and have those imposed upon us here in Canada.

Mr. Charles Turner (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, the Motor Vehicle Safety Act is designed to protect the public against personal injury, impairment of health or death. The Motor Vehicle Safety Act achieves this end by permitting the Governor in Council to make regulations respecting the use of the national safety mark in relation to motor vehicles. These regulations take the form of safety standards applicable to various classes of motor vehicles. In other words, it is illegal to apply the national safety mark to a motor vehicle unless that motor vehicle complies with the safety standards applying to it. Furthermore, provincial legislation makes it illegal to sell a new vehicle which does not bear the national safety mark. Regulations in the form of safety standards are not written directly into the act because the rate of technological change is of such a magnitude that it would be impractical to change the act every time a safety standard was improved.

During 1972, for instance, the safety standards were amended 18 times and three new standards were introduced. Before going further, I must emphasize that our objective is to obtain the highest possible seat belt usage rate. It is obviously impractical, however, to achieve this objective through the amendment of an act which already, by means of the regulations, requires seat belts to be fitted in every new automobile, together with a warning system in the case of front seat-occupants, which reminds the driver to fasten his seat belt and to ask his passenger to do the same.

Seat belts have been required equipment on new automobiles sold in Canada since the regulations, made pursuant to the Motor Vehicle Safety Act, became effective on January 1, 1971. The effectiveness of the relevant safety standard was widened on July 1, 1972 to include trucks, buses and multi-purpose vehicles. This widening of the safety standard required a seat belt of a specified type to be provided at each designated seating position of a truck and multi-purpose vehicle regardless of the vehicle weight. It also required that a seat belt of specified type be provided for the driver of a bus.

● (1720)

Various provincial governments required that seat belts be fitted to automobiles some time before the federal Motor Vehicle Safety Act became law. Some provincial requirements on this topic go as far back as 1967. The adoption of what is called the auto pact influenced the design of automobiles designed in the United States and manufactured in this country, bringing about the widespread installation of seats belts in anticipation of government regulations.

Seat belt utilization is admittedly more infrequent than we would like it to be. However, improved motor vehicle safety regulations are resulting in safety belts which are more comfortable to wear and are easier to fasten and unfasten. These trends should result in the greater usage of these important safety devices. Furthermore, amendments to the motor vehicle safety regulations, which are in the process of being proposed for adoption at present, will make safety belts even easier to use, resulting, we hope, in a further increase in their usage.

The proposed amendments address themselves to emergency locking retractors and one piece shoulder and lap straps among other things. The inertia reel device allows the wearer of the belt full freedom of movement under all conditions except in emergencies which involved the rapid deceleration of the vehicle. The one piece shoulder and lap strap requirement will result in the wider use of shoulder straps. The effect of this trend will be to reduce the number of instances of the occupant of the automobile striking the windshield, the steering wheel, the mirror, the instrument panel, and other objects within the occupant compartment of the vehicle, thereby reducing injuries in motor vehicle accidents.

The national highway traffic safety administration of the United States government has recognized the hostility of a large majority of automobile occupants to the wearing of seat belts and is slowly moving toward the introduction of a regulation which will require the installation of automatic occupant restraint systems which will necessitate no action on the part of the occupant to make them effective. These systems, however, are complex and costly when compared with the well-tried and well-understood seat belt. It is hoped that in Canada gentle persuasion of motorists to use the seat belt will result in the saving of lives and reduction of injuries, thus creating a trend superior to those that the more complex restraint systems favoured by the United States government can achieve.

While comparing the Canadian situation with that prevailing in the United States, it should be pointed out that since August 15, 1973, U.S. safety regulations require automobile seat belt systems to be interlocked with the motor in such a way that the vehicle cannot be moved unless the driver and passengers on the front seat are first seated and then have fastened their seat belts properly. In Canada, it is considered that such an involved arrangement might merely increase the autmobile users hostility toward seat belts as a result of the numerous inconveni-

ences and annoyances. Consequently, the ultimate aim of the widespread employment of seat belts would not be served.

The interlocking of the seat belts with the motor has been included in the proposed amendments to the Canadian motor vehicle safety standards as an option with which the manufacturers may comply if they so desire. It is probable that some automobiles incorporating the interlocked feature will be on sale in this country after September of this year, since a notice leaving it optional in our regulations has already been given in the Canada *Gazette* Part I of May 26, 1973. For reasons of ease of production, there will be a tendency for identical vehicles to be sold on both sides of the border. The risk of substantial penalties for the sale of non-complying vehicles in either Canada or the U.S.A. could make the small production cost savings resulting from deletion of ignition interlock hardware unattractive for the manufacturers.

The warning light and buzzer telling the driver that he or one of his charges has not fastened his or her seat belt is fairly easily defeated and it is disquieting to hear that many auto salesmen are quick to show possible buyers how to defeat the system. This type of activity destroys to some extent the good work done by the federal safety standards, and if we are going to achieve good results in the fight against death and injury on the highway, this type of behaviour must stop.

A number of complaints have been received by the Ministry of Transport regarding the comfort of seat belts and expressing a fear that the shoulder strap will cause injury to the neck rather than minimize injuries in the event of an accident. These fears are not supported by the in-depth accident investigations conducted by the ministry and the nine university accident investigation teams under contract to the Ministry of Transport.

Three federal safety standards address the matter of holding the occupants of a vehicle inside that vehicle and of preventing them from striking the inside of a vehicle in an accident. Seat belt installations in passenger cars, seat belt assemblies and seat belt anchorages comprise these three standards. They result in a well engineered restraint system on vehicles built in the last few years. But how can the owners of vehicles built before these standards became effective protect themselves and their passengers? It becomes increasingly difficult and not really practical to require the fitting of seat belts to older vehicles because in most cases the engineering task would be too great and the operation economically not feasible. The correct installation of occupant restraint systems as we understand them today affects many parts of the vehicle such as the floor structure, door posts, the roof and the seat frames. It is impractical to add to older vehicles the refinements of recent models, but if by the stroke of a pen we are going to demand that a large segment of the motoring public protect itself by taking some action, then the segment that is unable to protect itself by the means provided to the majority can, justifiably perhaps, complain that it is being discriminated against.

One class of the population that is often forgotten when seat belts are under discussion is children. Good child seats are available for children of up to approximately three years of age and, as we have discussed, the large

[Mr. Turner (London-East).]

majority of automobiles are fitted with seat belts of fairly good quality. The smallest occupant which seat belts are required to accommodate by the safety standard, however, is a fifth percentile female. This female is 59 inches in height and has a weight of 102 pounds. Thus, a child over three years of age who may weigh in the region of 20 to 30 pounds and is smaller than a small adult female, is not specifically provided for. There is considerable danger in young children, even if they are well developed physically, using seat belts designed for adults because of their malleable bone structure. Furthermore, internal injuries can be sustained as a result of a belt exerting too much pressure on the abdominal area of children because of their lack of muscular development. Pediatricians recommend that adult seat belt systems should certainly not be used for children until they weigh 40 to 50 pounds and are four to five years of age at least. Child seat manufacturers are ignoring to a large extent children between the ages of three and six, thus the parents do not have the option of purchasing special seats for their offspring if they are of certain ages and weights.

Shoulder belts should generally not be used by children until they have reached 55 inches in height and are approximately nine to ten years of age because of the possibility of facial and neck injuries due to the high location of the belt relative to the child. Many imported vehicles have been fitted with one piece lap and shoulder harnesses, and all Canadian and imported vehicles will be so fitted after September 1, 1973, so it will be impossible for the child to use only the lap belt.

We will be either forcing children into unsuitable restrain systems or leaving them unprotected if we make the wearing of seat belts mandatory, when what we should perhaps be doing is requiring manufacturers of child seats to offer a wider and more reasonably priced seat for the older child. It should be mentioned that under the Hazardous Products Act a federal standard for children's car seats and harnesses does exist, making it illegal in Canada to sell a child seat that does not comply with safety requirements set out in the standard.

● (1730)

A rather unexpected influence on this whole matter is in the course of developing behind the scenes to some extent. This influence is exerted by the courts in withholding a certain percentage of the damages originally awarded to a plaintiff because that plaintiff did not wear the seat belt provided. The particular case of interest is *Jackson et al v. Millar et al,* where the judge applied a reduction of 10 per cent to the damages awarded to Jackson because he failed to wear his seat belt.

The accident in which Jackson suffered serious injury was the result of a number of causes. A party of three youths decided at a relatively late hour on a Sunday evening to go to a drive-in movie theatre. One of three was able to borrow his father's car and they set off at about eleven o'clock p.m. After alternately dozing and watching the movies until the early hours of the morning, they decided to drive to a cottage owned by the parents of one of the youths. They found nobody at the cottage and decided to return to Toronto to their homes.

During the early portion of the journey the two passengers slept quite a lot, that is, until the accident occurred in which Jackson was injured. The car went into a skid and spun around, during which time it appears to have struck some guard rails causing Jackson to be thrown out of the vehicle. The other two occupants were unharmed in the accident even though they were not wearing their seat belts; however, their location in the vehicle was such that they were not adjacent to the door which sprung open. Jackson was seriously injured. Although the only fault on his part was not to have worn his seat belt, and keeping in mind that the driver was found to have acted negligently in driving when he was tired, damages awarded to Jackson were reduced by 10 per cent, this being the amount by which the judge found the plaintiff to be responsible.

Thus, in reducing the damages allowed to Jackson, the judge could well be setting a series of precedents which, when they have received sufficient publicity, will cause people to be a little more careful about wearing the restraint systems provided for them.

In conclusion, I would like to restate my strong support for increased seat belt usage in Canada. I will support any program that will increase its use. I do not believe that the proposed amendments to the Motor Vehicle Safety Act contained in Bill C-35 can achieve this purpose. The safety standards prescribed in the regulations made under this act are already providing seat belts for passenger cars, trucks, multipurpose passenger vehicles and also for drivers of buses.

Mr. Mather: Mr. Speaker, would the hon. member permit one question before he resumes his seat?

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Surrey-White Rock (Mr. Mather) is asking the hon. member for London East (Mr. Turner) for permission to ask a question.

Mr. Turner (London East): Yes, Mr. Speaker.

Mr. Mather: Would the hon. member who has just concluded his interesting remarks object, not to the bill but to the subject matter of the bill going to a committee for further study?

Mr. Turner (London East): I agree with that, Mr. Speaker.

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I listened with great interest to the speech by the parliamentary secretary, some of which was basically a reading of the motor vehicle safety regulations of which we are all aware. I also listened with great interest to the hon. member for Surrey-White Rock (Mr. Mather), and I offer my compliments to him on his initiative in bringing forward the important matter of further safety in motor vehicles in Canada. I believe in the safety of all Canadians and therefore I should like to add, possibly in committee, some further amendments to the proposed legislation.

It is, as most members are aware, an indisputable fact that seat belts have saved not only many lives but have on numerous occasions prevented serious and crippling injury. Those countries that have passed such legislation are experiencing dramatic reductions in loss of life. All we have to do is look at the example of Australia which implemented seat belt regulations for all drivers and passengers in private vehicles and drivers of commercial vehicles. One year after this legislation came into effect, a 20 per cent reduction in deaths by traffic accident was recorded.

Mr. Speaker, the most advantageous aspect of the proposed legislation is that it will serve to make people aware of the value of these safety features in their automobiles. Advertising campaigns by insurance companies, governments and safety councils have already had a certain effect, but legislation in this regard will doubtless enhance the safety program presently being undertaken.

If we but considered the legislation currently in existence in most provinces and states in North America concerning the use of crash helmets by motorcyclists, and the overnight reduction that legislation had in reducing serious head injuries to these individuals, we would all give serious consideration to the immediate implementation of the bill presently before this House.

Mr. Speaker, no one speaking in support of this bill is speaking without facts and figures to back up this proposal. The success encountered by other safety studies speaks for itself. I doubt if there is a member in this House who is not aware of an instance where someone they know escaped serious injury because they were wearing their seat belt, or transversely, suffered serious injury because they had neglected to use the equipment, which is mandatory for all motor vehicles sold in this country, as we all know.

Mr. Speaker, if through this legislation we are able to save one life or prevent one serious crippling injury, then we will have served a great purpose. If through this legislation people throughout our land become safety-conscious and safety-minded, then this too will mark the proposed legislation a success. If we prevent the mutilation of one body hurled through a windshield, or the face of a child being scarred for life, then this too will mark this legislation successful.

As a new member, I am not exactly sure what the amendment means. The explanatory note to the bill is in part as follows:

> The purpose of this bill is to require the equipping of commercial vehicles, trucks and buses, with safety belts in the driver position and to require the use of these restraint belts by the driver—

I take it that the hon. member for Surrey-White Rock intends that safety belts be compulsory only in commercial vehicles and that drivers of commercial vehicles should wear them when this legislation goes through. When this bill is passed to the committee, for the reasons I have stated I would like to see it contain a provision compelling the use of seat belts by both driver and passengers in private automobiles in this country. Such a step would make the legislation truly all-encompassing. Therefore, Mr. Speaker, with these amendments in mind that I will propose in committee, I would urge all hon. members to support the bill.

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, I am happy to support this bill because it tries to take positive action to deal with one of the most serious social

problems confronting our country. Since the first traffic fatality in North America in the year 1899 there have been almost two million such fatalities in the United States and Canada. In this country we are presently suffering between 5,000 and 6,000 traffic fatalities per year, and it is often brought to our attention that more Canadians and Americans have been killed in traffic accidents than have been killed in warfare in this century.

If we were confronted with the prospect of 5,000 or 6,000 Canadians being killed in military action somewhere in the world, this House would be filled; this country would be concerned. Yet the challenge is there that such a large number of Canadians are facing death within the next 12 months through traffic accidents. We must become increasingly conscious of the need to take steps that will lead to greater traffic safety.

I should like to take a few moments to deal with an aspect of this problem not dealt with by the bill and which perhaps cannot be dealt with by committee. That is the limitation on the effectiveness of such legislation. I agree that we should have such an act, and I agree that the owners of the vehicles affected should be required by law to equip their vehicles with the kind of seat belt that the bill would demand.

● (1740)

But we must remember, even if we accept the terms of reference mentioned earlier by the hon. member for High Park-Humber Valley (Mr. Jelinek), that we cannot through legislation make sure that the maximum number of drivers of commercial and personal vehicles will actually use seat belts. You can legislate ownership but you cannot legislate common sense. The trouble is that we can have laws requiring cars, trucks and other vehicles to be equipped with seat belts, but we cannot require people to use them. Even the threat of a penalty often may not be enough to make people do what common sense instructs them to do. That is why I think the government ought to institute an effective educational program.

It has been my experience in elementary and secondary schools of a particular community of this country that such traffic safety educational training programs have an impressive effectiveness. I use the occasion of this debate to draw to the attention of the House the need for the federal government to invest more resources in traffic safety education. We are told that not only are 6,000 people being killed on our roads every year but that 200,000 are sent to hospital as a result of traffic accidents. Indeed, one-tenth of hospital beds in Canada are regularly occupied by accident victims.

In such a situation I think it is mandatory for the federal government, in co-operation with the provinces, to help boards of education finance expanded traffic educational and safe driving programs. If we were to do that we would, over the years, build up in the minds of the public a consciousness about this matter that would reinforce what this bill seeks to do.

Speaking in terms of what this would cost, I remind hon. members that local boards are possessed of limited resources and therefore must get assistance from the federal level of government which has much greater resources. If we were to put into traffic safety education programs across this country even a fraction of the millions of dollars we are squandering on some kookie schemes which have been carried out under LIP and OFY, we would be doing a great service for the safety of the people of this country.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I, too, want to say a few words on Bill C-35, an act to amend the Motor Vehicle Safety Act with specific reference to seat belts. Having listened to other hon. members speaking, I also feel that the jurisdiction in this field is that of the provinces and of the federal government.

The seat belts now being fitted to vehicles sold in this country are undoubtedly the single most valuable and effective safety device required by the motor vehicle safety regulations. For this very reason I am not opposed in principle to laws requiring the wearing of seat belts. In a very real sense they are a logical outcome of the public concern over traffic safety which brought the Motor Vehicle Safety Act and regulations into existence.

Perhaps it is time for us to say to the public, "The government has done a great deal in recent years to make safe the motor vehicles you drive. Now we are going to require you to do your part and to use this most effective safety device, instead of either ignoring it completely or actively inhibiting its function". I have very serious doubt, Mr. Speaker, that amendment of the Motor Vehicle Safety Act is a proper or even a feasible method of compelling the use of seat belts, but I do not propose to dwell on that point at the moment.

I express my concern that this bill, undoubtedly introduced with the most humane of motives, attacks only one part of a larger problem, implies little appreciation of the wider issues involved, and consequently could ultimately cost more Canadian lives than it would save. Mandatory seat belt wearing could save as many as 1,500 lives each year and could eliminate or alleviate many thousands of injuries which now occur unnecessarily as the result of motor vehicle accidents. However, a partial measure, introduced without the necessary preparatory programs, could well produce such a hostile public reaction that subsequent, more comprehensive and effective measures would be condemned to public rejection from the outset.

For I believe, Mr. Speaker, that public acceptance is essential to success in such measures as the one we are discussing. In a democracy such as ours, conformity with the law does not depend on the powers of the enforcement agencies. It depends on the respect of the ordinary citizen for the social purpose and inherent reasonableness of the provisions of the law. And I believe that the actual usage rates of seat belts in this country indicate that we have some extensive ground work to do before we will get the acceptance which is so essential to success.

For this reason, the government is currently conducting a number of independent studies of the factors which determine seat belt usage. Why do many people appear unconvinced, in the face of all the contrary evidence, that wearing a seat belt substantially increases one's chance of escaping death or injury in a collision? Why do people who believe in the value of seat belts so frequently fail to "buckle up"? How many people support the principle of

legal compulsion to increase seat belt usage? Until we have answers to questions such as these, I cannot but regard Bill C-35 as premature and likely to endanger the ultimate achievement of its own commendable objectives.

Specific studies are going on. I obviously cannot anticipate in any detail the results of such studies as I have mentioned. But it seems to me that there are likely to be at least three distinct types of objection to the use of seat belts which demand separate consideration in drafting any law requiring their use. The first of these might be characterized as rational objections based on personal observations. For example, it is unfortunately all too common to find that if one wears the diagonal shoulder belt, one cannot reach the parking brake release or the window-winder, or perhaps some more vital control. And to get into this situation one has to pass a small test of engineering knowledge; you need co-ordination of hand and eye to fasten the belt in the first place.

I think the public may legitimately press for improvements in the convenience and comfort of seat belts. I hope that the improvements which have been introduced into the motor vehicle safety regulations for the 1974 model year will result in substantially increased rates of seat belt usage. I think that any government is bound to examine very ca fully, before introducing legislation requiring the use of seat belts, the practicability of such a requirement. In a recent, well-publicized study conducted by three students of industrial engineering at the University of Toronto it was found that the seat belt design in a number of current vehicles significantly limited the driver's access to vehicle controls. These findings are also being confirmed in the continuous evaluations of current model vehicles being conducted by the government, in addition to its testing for compliance with the motor vehicle safety regulations.

● (1750)

We must also anticipate a considerable number of rational objections based on misinformation. Questions are asked such as, "But what if I'm strapped into a burning car following a collision?" "What if my car ends up in a river or lake?" Both of these occurrences are quite rare. In both cases a restrained occupant has a far better chance of remaining conscious during the initial phases, and consequently of extricating himself. A seat belt buckle is simpler to release than to fasten, and except in the most improbable circumstance that the buckle itself is damaged in the collision, it will unfailingly release the belt when required to do so. Objections such as these should be countered by an appropriate public information campaign before any law requiring the wearing of seat belts is introduced, if it is to obtain the support which is necessary.

A further factor which would necessitate a public information campaign is the general lack of understanding of the importance of correct positioning and adjustment of the seat belt. Within the practical constraints imposed by the necessity to fit a large range of sizes and shapes of occupant, the seat belt normally falls in approximately the correct position on the body. It can, however, be significantly affected by the seated posture of the occupant. At best, an incorrectly positioned seat belt is less effective than it might be, and at worst it may be lethal. In particular, it is important that the lap belt should be positioned as low as possible so that it does not bear on soft abdominal tissue. Fatal internal injuries have been caused by lap belts worn high on the abdomen.

Similarly, the importance of not twisting the belt is too little known. The width of the belt plays a vital part in distributing the collision forces over an area. A twisted or rolled belt applies a more concentrated and potentially more injurious force to the body. The importance of ensuring that this type of information is available to every vehicle user before the introduction of a law requiring seat belt use need hardly be stressed.

Finally, one must expect to encounter entirely irrational objections to the wearing of seat belts and these may be the hardest of all to take into account in legislation. I believe that any law requiring the wearing of seat belts must provide for certain exemptions. An irrational fear of being so restrained would seem to justify such exemption, if it can be medically certified. Exemptions might well be required on a number of other grounds, in particular that of physical deformity of the driver or passenger.

While I have treated the problem of gaining public acceptance of the type of law envisaged in Bill C-35 in a necessarily abbreviated way and have barely touched upon a number of other important questions, I hope I have said enough to persuade this House that the real objectives of the bill are most unlikely to be achieved by instant legislation.

The introduction of a law requiring the wearing of seat belts is a matter necessitating the most careful planning and preparation. I think it is easy to be misled by the Australian experience in this area, to underestimate the preparatory work which was done there and to overestimate the ease with which such legislation can be translated for Canadian use. I also fear, Mr. Speaker, that we may soon see in France some of the unfortunate side effects of a somewhat limited requirement for the use of seat belts; one, moreover, which was introduced by regulation and apparently without any prior effort to inform the public of its intent and objectives.

In my concentration on the issues involved in the introduction of a law requiring the use of seat belts I have so far ignored the alternative methods which are available to achieve the underlying objectives of Bill C-35, namely, to increase the safety of vehicle occupants through the use of occupant restraint systems. However, it is important that we do not disregard these other options.

As I have tried to indicate, we cannot yet consider seat belt wearing legislation to be a panacea. For this reason, the government is also undertaking a basic study to determine the relative effectiveness of the various alternative types of restraint systems which are now available. The study will provide data which, hopefully, will enable us to compare a wide range of alternative technical and legislative policies, including some which would undoubtedly fall within areas of provincial authority.

In conclusion, I should like to reaffirm my support for any measure which results in improved utilization of seat belts. I have, however, endeavoured to show that there are very serious dangers in attempting to bring about such improvement through piecemeal legislation introduced

without the careful planning and supporting programs which I believe to be necessary if the intent of the legislation is to be realized.

I have briefly mentioned some of the studies which the government is currently undertaking and which bear upon the substance of the bill before the House. I have also attempted to place the question of legislation requiring seat belt wearing in proper perspective with other approaches to the same objective which are also under study by the government.

While I support wholeheartedly the aims of this bill, I do not believe it would achieve the results which its sponsor anticipates. Further, I am concerned lest it endanger the achievement of the desired reductions in deaths and injuries of vehicle occupants by subsequent, more comprehensive or alternative measures.

[*Translation*]

The Acting Speaker (Mr. Laniel): Order. I regret to have to interrupt the hon. member, but as it is six o'clock the hour appointed for the consideration of private members' business has now expired.

Mr. Gaston Isabelle (Hull): Mr. Speaker, with the House's consent I would ask for leave to revert to routine proceedings in order to table a committee report.

[*English*]

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

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

Fourth report on Standing Committee on Health, Welfare and Social Affairs—Mr. Isabelle.

An hon. Member: Six o'clock.

At six o'clock the House took recess.

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AFTER RECESS

The House resumed at 8 p.m.

[Mr. Guay (St. Boniface).]

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT AND YOUTH ALLOWANCES ACT

AMENDMENTS TO INCREASE PAYMENTS

The House resumed consideration of the motion of Mr. Lalonde that Bill C-223, to amend the Family Allowances Act and the Youth Allowances Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, when the House adjourned this debate at five o'clock for private members' hour I had just begun my speech on Bill C-223, the bill to increase the family allowance to $12 beginning October 1. This is the government's response to the rising cost of living and is an attempt to help families that find it very difficult to feed and clothe children. I was outlining some of the policies of the Liberal government both when it had a majority and in the present minority situation, and referred to the various family income security plans the government had proposed and which in the wisdom of this parliament had been rejected. We now see an interim measure in which the minister of health has decided to raise the allowance to $12 per child. The allowance will be non-taxable. At five o'clock I was pointing out that this step was so typical of Liberal policy, being too little, too late.

The question that comes to the mind of every Canadian is this. If this is an anti-inflation policy, if it is a policy to combat the high cost of food and clothing, why was the family allowance not raised earlier than this date? I have a suspicion that the family allowance would not have been raised at all had it not been for the rail strike, for the fact that parliament was recalled and that the New Democratic Party presented, as one of its proposals to the government to help Canadians meet the cost of living, the suggestion that there be an immediate increase in family allowances.

The Minister of Finance (Mr. Turner) as late as mid-August said while he was vacationing in Kenora that prices were hurting but that this was not sufficient to recall parliament. I wonder whether he would have had the nerve to come to my constituency of Sault Ste. Marie and make that statement, for in August a survey conducted by the Canadian Press showed that Sault Ste. Marie was the second most expensive place in Canada in which to buy food. According to this Canadian Press survey, the cost of a food basket of standard products purchased in Saint John was $16.14, in Toronto $13.57, and in Sault Ste. Marie $15.69. The total rise in the food price index in one year has been 14.7 per cent.

This situation, Mr. Speaker, did not catch the Liberal government unawares. Month after month Statistics Canada were documenting the increases in the cost of food. Yet the Minister of Finance and his colleagues in the cabinet did not consider it of sufficient importance to recall parliament this summer to deal with the cost of living. While the cost of feeding a family has been mounting, the government has been procrastinating.

In its arguments, which we have heard time and time again, the government have stated that they could not afford to increase pensions or family allowances. In saying that, how on earth do they assume that the Canadian consumer can afford to pay exorbitant prices for food and clothing for his children? All families have been forced to cut corners and make do, especially families of low or moderate income.

Consider, Mr. Speaker, what faces a mother who is sending her children back to school. She has to buy new clothes and shoes for her children. I have received letters to the effect that this fall many mothers are not doing this; they are patching clothes, using hand-me-downs for their children, trying to stretch the life span of a pair of shoes. They are cutting back in this way in order to try to beat the high cost of living. But how on earth do you cut back on essential foods? Growing children need proper nourishment and you cannot cut back on this. Yet the government has sat placidly by watching month by month as the cost of food has risen.

● (2010)

Of course, we have Mrs. Beryl Plumptre, chairman of the Food Prices Review Board. What kind of soothing advice did she give to people trying to beat the cost of living? To mothers of families she said, "Don't buy the more expensive kinds of food. Don't buy steak. Use hamburger instead." I checked the price of hamburger in my constituency, Mr. Speaker. Last year it was 88 cents a pound; now it is $1.12 a pound. There is small comfort there. People cannot even afford hamburger if they are members of unorganized labour, if they do not have unions to help increase their wages or if they are living on fixed incomes.

While the Minister of Finance and the government refused to recall parliament to deal with the issues, somehow mothers had to feed and clothe their families. As I have said, it was hard enough for middle-income families, and it was virtually impossible for the 4½ million poor in Canada, those already living below the poverty line. How on earth did the government expect them to cope with the situation? If it had not been for the railway strike and the NDP shopping list we would not have this bill before us today. This bill, to raise family allowances immediately, is only a stopgap measure, and the government well knows it.

Time and again we have tried to prod the government into action, but how reluctant it has been to move. There has never been real initiative on its part. It has always adopted ad hoc measures, reacting to the pressures of the moment, to public opinion and to the minority situation in which it finds itself. From the government and its predecessor we have not seen a concentrated attack on the cost of living in the broader perspective, and by this I mean a redistribution of income through a fair tax policy. I do not know how many members of this House and of the Canadian public are aware of the injustices that are present in our tax system and in the distribution of wealth.

My colleague from Oshawa-Whitby alluded to this point this afternoon, with many statistics. I would like to cite but one. In 1961, taking into account all taxes direct and indirect, a family earning under $2,000 a year paid 60 per cent of its income in taxes, whereas families with income over $10,000 paid only 38 per cent of their income in taxes. This unjust system was continued for over a decade by successive Liberal and Conservative governments. Recently some relief was afforded through reforms in the personal income tax laws which our party advocated when the House met in January and which were reflected in the Speech from the Throne.

We do well to remind ourselves of the other side of the coin, that our tax policies point out where the concern of the old-line parties really lies. Here I am referring to the tax concessions given to large corporations. This Liberal government, which says it is so concerned about the average Joe Public, gave $500 million in tax cuts to large corporations in its recent budget, despite the tremendous increase in corporate profits over the last quarter of the previous year.

I want the Canadian people to think what that $500 million would have meant had it been distributed among Canadian families to help them meet the cost of living. If it were distributed among the 3½ million families with children, it would average $140 per family. That would have been a constructive move. That would have been meaningful. That would have been a fair and just way to help the Canadian people. But I have no confidence that we will get such a just tax system from the Liberal government or from its mirror image, the Conservative party.

Now the government is giving an increase of $6 or $8 per child through the proposals in this bill. This is too little, too late. But still it is better than nothing. I want the Canadian public to reflect on the history of the old-line parties, especially the Liberal party and its family income security programs. There has been no real initiative on its part in launching a basic attack on the cost of living and on income inequalities. Such initiative will not spring from within that party. It takes prodding. It takes pressure from the public. It takes pressure from the parties in this minority House of Commons to get the government to act. Over the years the NDP has been the catalyst. In the past we have argued for adequate social security measures, adequate pensions and adequate family allowances. We will continue to do so. We will support this bill as a stopgap measure, but we will continue to argue for greater increases and for a fair and just over-all social security policy.

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I will support this bill to increase family allowances to $12 per month per child. But to remain silent would be to turn my back on my true feelings about the bill and the economic and social policies of the government. I think these feelings are shared by many, if not most Canadians today who are bewildered, frustrated and disillusioned by the erratic, self-serving approach of the federal government.

Indeed, Sir, last week I conducted interviews with 159 of my constituents in various economic and social areas of Edmonton-Strathcona. I found that 52 per cent of the people I talked to are dissatisfied with the performance of the government, and 64 per cent think the government is not taking sufficient steps to control inflation. There is a

deep desire by the public for firm, comprehensive policies to cure "stagflation" which, however you define that word, means we have 8 per cent inflation with 5.5 per cent unemployment. Because the public is not getting firm policies from the government, a sense of disillusionment is becoming pronounced in Canada today. This sense of disillusionment with the political process is a far more important question than the government realizes.

The family allowances bill before us is a reflection of the reactive response that so characterizes the government, and it puts me, I am frank to admit, in a quandary. I am very much opposed to increasing public dependency on the government, yet I can see how desperately the poor and middle-class sections of society need to be helped as a result of runaway inflation.

This summer I travelled by car across Canada from Alberta to P.E.I., an exercise I recommend to all members of parliament as distinct from weekly air trips during which you neither see nor feel the fabric of Canada. I talked to many Canadians. I could see just how much an improvement in the family allowance level would mean to them. This experience helped me to resolve the struggle within myself, of fighting big government on the one hand and having concern for the practicalities of helping people who definitely need to be helped.

But, Mr. Speaker, let not members of the government hold up their heads in pride at what they are doing in presenting us with this bill. Let them not think that a $4 to $6 monthly hike in family allowances is the answer to hardship caused by inflation. Let them not think that justice is being delivered to the Canadian people, because this bill, the pension bills and the subsidies that have constituted the government's response to the inflation crisis all deal with secondary problems.

● (2020)

While we debate family allowances as a supposed cure for our problems, the fundamental problem of income distribution remains obscured. A bold, new social program for the seventies is desperately needed, Mr. Speaker, not a tinkering with the family allowance system of the forties. And if there is any doubt about this, ask the people of Edmonton-Strathcona right on their doorsteps, as I did. Ask the demonstrators who came to parliament this afternoon to protest against the gouging of the public through high food prices. Ask the five million Canadians living below the poverty line if an additional $4 to $6 a month per child will lift them out of poverty.

The social security system in Canada today is in chaos. The whole system, at all government levels, costs Canadians more than $6 billion a year, yet it has not significantly alleviated poverty let alone eliminated it. There are five million Canadians living below the poverty line. The special Senate Committee on Poverty reported that "poverty is the great social issue of our time". For the chronically unemployed, the unskilled, the poorly educated, the disadvantaged, infirm, aged, one-parent families or inhabitants of depressed areas, poverty has become a way of life, an ugly subculture within Canadian society.

These are the people who have been most hurt by the government's economic slowdown and inflation. Generally, they have inferior educational, medical, cultural and information services and lack the skill or knowledge to make use of many of the facilities available to the general public. The greatest tragedy is the children, for they grow up in a cycle of poverty. The welfare system is itself a block to improving the lot of the poor because social programs are not co-ordinated among the three levels of government; there is confusion and intergovernmental ill-will.

The focus of government help is on the casualties of our system instead of the prevention of problems. And to compound this, the increasing welfare costs are squeezing money for prevention programs. People on welfare do not have the sympathy of Canadians today. This is because the government has emphasized social assistance programs so much that the line has been crossed from protection to reliance. The welfare system was designed originally as a supplement to the economic system. Now it has become a political tool of the government, used by the government to bail it out of political emergencies. The government, which brought in restrictive economic policies in the first place, tries to help people by adding social programs such as family allowances which eat up tax dollars and add to the working man's burden. This philosophy is wrong and is producing an overdependence on government by people who should be able to take care of themselves.

The unemployment insurance program frequently provides excessive benefits, particularly in cases where people have other sources of income. What is especially offensive to Canadians is that there are tens of thousands of people who find themselves in the position where taking a job at or near minimum wages provides them with less cash disposable income than they can get from the welfare program. This is certainly unfait to the working poor and contributes to the feelings of alienation in our society. Unless courageous action is taken, the future will bring spiralling costs necessary to prop up an ineffective welfare system. The result will be dissatisfaction and bitterness among both those who give and those who receive. And perhaps worst of all, the element of compassion toward those genuinely in need will erode away. Then our society truly will be poor.

Government is better able to help those who cannot help themselves when it creates an economic climate that enables employable people to help themselves. It is not the government but the initiative of free men and women that enables people to work out their own destinies. The human spirit is best served by encouraging people to be dependent on themselves rather than on the government. This is the route to a life of human dignity for the poor, not perpetuation of government handouts as we have before us in the family allowance program.

Therefore, Canada's goal must be the creation of greater income-earning potential among the poor themselves. When this principle is recognized, there will be public support for more manpower programs to train the unskilled and retrain those in declining industries, and for more adult education leading to employment in expanding industrial projects. A better step toward this goal is to increase the minimum wage rather than try to advance family allowances. Thus people are given money for work done, not subsidized for work not done.

Instead of collecting extra tax dollars necessary to finance so many social welfare plans, the government could reduce taxes so as to offset increased costs due to higher minimum wages. An increase in minimum wages actually costs the country less because it cuts down on social security costs. We would then be paying people, not governments. Through steps such as this government is taking, it is lurching toward a guaranteed annual income for all Canadians. The handwriting is on the wall. All you have to do is put together the speeches, actions and policy papers of the Minister of National Health and Welfare (Mr. Lalonde).

The government thinks it is doing a good thing in moving Canadians along the road to more social security. But it is leading us deeper into the bottomless pit of the welfare state. And what is unconscionable is that it is using the national emergency of runaway inflation to make Canadian families even more dependent on the largesse of the government in order to buy food, clothes and shelter.

I want social security, too, as a protection for those who truly need help, the handicapped, the poor, the aged. But I am not going to sit idly by and watch this government play politics with the continued development of the Canadian people into a great international nation. I will fight this government in this chamber and on the hustings, because the Liberal Party believes in making people more dependent on the state and my party believes in the uplifting spirit of human independence.

● (2030)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I was glad to hear the previous speaker say that this government or a subsequent government will have to resort to the guaranteed annual income to establish security while respecting individual freedom in Canada. The hon. member mentioned the increasing cost of living, minimum wages and price and wage freeze but the bill now before us relates to the family allowances increase to $12 from October 1.

At this stage, I would say that for years now we have been requesting family allowances—not only $12 a month but $20—and I would call the minister's attention on the fact that in 1956 when I was the Liberal candidate in the riding of Abitibi East, and my leader was Mr. Georges-Emile Lapalme, both wearing a white beret at Val-d'Or, we urged the government to grant monthly universal family allowances of $20.

Now the minister is a bit late with his intention of increasing family allowances since it has been a necessity for a long time.

Mr. Roy (Laval): He was not born yet!

Mr. Caouette (Témiscamingue): Perhaps he was not born yet. Anyway, he was not very old in 1956 as this happened 17 years ago.

An hon. Member: He is a young minister!

Mr. Caouette (Témiscamingue): Surely he was already born even though he is a young minister. Perhaps he was too young to understand. But even today even though he is older, his understanding has not improved.

In 1956, we requested a monthly $20 and my colleagues and I have been here since 1962 and urging for monthly and universal family allowances of $20 and I regret that bill C-223 is not providing for the payment of benefits amounting to $20 a month retroactive to January 1, 1973.

Some ministers said that wage increases have just been granted to railway employees retroactive to January 1, 1973. We are in favour of that. But as far as making the new family allowances retroactive, the government does not understand that.

Mr. Speaker, we have asked that a $20 monthly allowance be paid directly by Ottawa to all Canadian children. Yet, this bill provides for a $12 increase and a further $8 increase effective January 1, 1974. But the plan will be provincially administered, and this is where I make reservations. The $12 allowance will be guaranteed to all, but the provinces will be free to play with the remaining $8. In fact, they will be in a position to grant $25 to a group of children and $15 to another. And I am under the impression that in the province of Quebec for instance, $2 or $3 more will be paid each month directly to all and then the remaining $5 will be used indiscriminately. It will not be the first time that this has happened.

It came to my knowledge, with respect to winter works about 2 or 3 years ago, that Ottawa was paying the provinces—I am speaking specifically of the province of Quebec—for the work done, and whenever municipalities or organized groups asked for payment, Quebec answered: It is Ottawa that did not pay. Therefore, they kept those people waiting and forced them to borrow from credit unions or banks, in order to pay their winter works before the grants were paid by Ottawa. I once asked specific questions and learned that the grants had actually been paid to the province of Quebed but that Quebec had tampered with the federal money to pay something else.

Mr. Speaker, I am afraid that exactly the same thing will happen with family allowances as with winter works. How nice! Those people in Quebec criticize Ottawa all the time, the federal government, the central government, they protest against the encroachments upon provincial autonomy; but when the time comes to ensure provincial autonomy they misappropriate funds under the pretext that they are poor, that Ottawa will not spend a penny and that they are ill treated.

Well, Mr. Speaker, I am fedup with those crybabies who are far too many in the province of Quebec. One of them spends his time railing against Ottawa, namely René Lévesque, leader of the separatist party, who believes and would have the people in Quebec believe that with the advent of a separatist government, Quebec would become civilized. We had an example of such dealings this afternoon. During the news broadcast a while ago, I heard that the New Democratic Party regime in Chile had been overthrown.

An hon. Member: It is Mr. Allende.

Mr. Caouette (Témiscamingue): Mr. Allende, yes. The president even committed suicide, according to the latest news.

Mr. Speaker, three years ago, before Mr. Allende was democratically elected, he said exactly what members of the New Democratic Party are saying in this chamber. He said exactly what René Lévesque is saying in Quebec: Profiteers! We shall get rid of them so that the people may own their economy, their national heritage! The people have become the owners of their national heritage in Chile, but see where they stand today, after only three years. And I suggest, Mr. Speaker, that if ever—I hope that this will never happen—someone like Lévesque came into power in the province of Quebec, we would end up exactly where Chile is today, in September 1973.

● (2040)

It is all very well to arouse popular feeling against the haves, but it is easy to get to the point where people do not own anything anymore. This is what they have done in Chile.

I said yesterday that I was shown a 3,000-foot movie made by the National Film Board; it must have cost at least half a million dollars. They took union leaders from Rouyn-Noranda to Chile, two years ago, on the occasion of the first anniversary of the coming into power of Mr. Allende, to say how miners were better treated in Chile than in Rouyn-Noranda, Val d'Or, Chibougamau and Normétal. And I learned, Sunday night, that Chile had just shipped 22,000 tons of copper ore to be processed in Noranda by some capitalists, because they are unable to process it in Chile.

Mr. Speaker, it is easy for René Lévesque and his allies, his assistants, his "sheep", to say that the rest of Canada is no good, that the Anglo-Saxons are mean and should be crushed. It is easy also for the New Democratic Party to say: Let us crush the bad Americans because they exploit us. At the same time, the ministers of finance in the socialist provinces, in British Columbia, in Saskatchewan and in Manitoba spend their time in the United States begging to borrow money from American moneylenders. It is easy to attack people from whom you beg.

Let us be careful, Mr. Speaker. There are some weaknesses, yes. There are some things that we should correct, yes, but let us not destroy what is good in our organization.

I was saying a moment ago that the Chileans wanted to abolish private enterprise completely and they did it; they nationalized. They talked about inflation three years ago. If we were to go there today, we should see that inflation is at least ten times worse than in Canada.

Mr. Speaker, as regards the bill now before us to increase the purchasing power of Canadian families by way of family allowances, I hope it will indeed increase their purchasing power, but I know that the whole program introduced by the government will be financed through taxes, which means that again there will be price increases.

And as long as we follow that pattern, Mr. Speaker, the cost of living will not stop rising. A mechanism, a method has to be found so that all Canadians will get additional purchasing power that will not be integrated in prices, and the only way out is through new credits allocated to the people, credits which are not integrated in the prices and which really increase the purchasing power, thus assisting in effectively fighting unemployment, the rise in the cost of living and inflation. Nobody believes in that yet and neither do the Liberals, the Progressive Conservatives or even the New Democrats.

The NDP suggests lower interest rates. Mr. Speaker, no matter how much we may lower them, if one dollar is created and if it is required that it dies at $1.05, $1.07 or $1.08, that is a mathematical impossibility, no matter what the interest rate on new credit.

I do not refer to existing money. If a Liberal member lends me $10 and I give him back $10.50, he is lending me something he possesses. It is a normal thing that I compensated him for the help he provided me, but that is not what the banking system does. Banks lend credit that does not belong to them and insist on interest rates of 10, 11 or 13 per cent. This is inflation! This is an abuse of authority. This is the banking legislation as passed by the present government.

I remember that three years ago I was attending a sitting of the Committee on Finance, Trade and Economic Affairs, to which representatives of Canadian Bankers Association were witnesses. At that time, an economist of the Bank of Nova Scotia said that if we eliminated the ceiling of 6 per cent on interest rates, we would enable banks to loan more to small people who need credit so that they could live and get out from under. I then said to the committee members: This is wrong, this is a lie. You will not be more helpful to poor people but you will have greater control over the Canadian economy.

Let us see, Mr. Speaker, if this is not happening today. The banking system has more authority than ever; the Bank of Canada has become a real puppet in the hands of financial institutions and the government is the servant of the whole system.

The government is powerless. The right hon. Prime Minister (Mr. Trudeau) and tne Minister of National Health and Welfare (Mr. Lalonde) both want to help the people, but they cannot do so because they lack financial means. The minister is aware of that fact. He knows perfectly well that I am right.

Somebody said earlier that the minister was young; I agree and I wish he were young enough not to be lost forever. I also hope that someday the minister will realize that concrete steps must be taken not only in the field of finance but also when it comes to expanding the monetary mass in Canada. We must tally up figures that reflect the resources of this country. And when figures are put on the actual resources in Canada, there will be no stinginess with family allowances, with assistance to provinces and municipalities, and with old age pensions at 60. There will be no more stinginess with the pensions of retired people and those on fixed incomes. But we will have latitude on the basis of the tremendous physical opportunities we have in Canada.

Mr. Speaker, the minister does not ask himself, can Canada produce enough to guarantee $20 or $25 a month the children of this country? No, he knows the production is there. Can Canada produce to give pensions of $200 a month to those 60? The minister is aware that Canada can produce. This is so true that all our stores across Canada, our industries, are filled to capacity. We have discount

sales in Montreal, Vancouver, Halifax, Winnipeg, and Edmonton. The people in Canada must mortgage their salaries for three to five years with finance companies to buy this year's or last year's production and yet, if the purchasing power was adjusted on the basis of current production, we would have prosperity in Canada. We would not be afraid of René Lévesque, the Chilean regime or the Communist regime; we could maintain at home a regime of free enterprise where personal initiative would be respected and promoted, where Canada would belong to Canadians and where Canadians would have security with personal freedom.

Mr. Jean-Robert Gauthier (Ottawa East): Mr. Speaker, this bill providing for higher family allowance as of next October is part of the concrete measure program presented by the federal Liberal government.

Under this bill, a monthly allowance of $12 would be paid as of October 1, 1973. The 3.5 million families now receiving the family and youth allowances, that is to say all families with dependent children of 18 or less, will be granted this new increase. In Canada, the number of children in this category is set at 7.5 million.

Mr. Speaker, I greet this government measure with great pleasure because it will allow Canadians and especially my constituents to really increase their purchasing power. This bill is good because its basic purpose is to add a supplement to the family income and that will be greatly appreciated in my riding as a concrete and positive measure introduced by a responsible and efficient government at grips with the soaring cost of living in Canada.

An hon. Member: What a supporter!

Mr. Gauthier (Ottawa East): The great problem of inflation has caused many to worry about this world plague.

An hon. Member: It is true.

Mr. Gauthier (Ottawa East): We hear and read every day pessimistic announcements by many improvised experts. They often fail to define their miraculous measures based on a so-called economic empiricism which would make us believe in simple solutions to the great world problem which is inflation.

An hon. Member: It is true.

Mr. Gauthier (Ottawa East): Wage and price controls are inevitable according to some and perilous according to others. It remains however impossible to find one instance where those control measures were effective in any industrial country during the past 25 years.

In addition, this is a world-wide problem and under the circumstances, it seems to me that the economic facts are altered through so-called political objectives when it is suggested that the time has come for price and wage controls.

The Liberal government has selected to campaign for programs aimed at increasing the purchasing power of Canadians and checking price increases of some basic products for the Canadian family.

I know, Mr. Speaker, that it is much more difficult to take such a position, because it requires from each of us a special effort to explain the problem to our constituents and to request their co-operation in the fight taking place to assure the stability of our economy.

I accept the challenge and I will try to the best of my knowledge to explain rather than frighten, to act rather than freeze, because in short, Mr. Speaker, it is our duty, as members of Parliament, to inform, to give leadership, to take proper measures, in order to govern responsibly and efficiently.

It has been rightly pointed out for some time, that any inflation more especially affects the citizens in the low or middle income groups or those with a fixed income. Most of them are unable to increase their income at the same rate as the prices they must pay to obtain some goods and other necessities of life. Each new price increase reduces accordingly their real purchasing power and their standard of living.

This is why all the measures announced up to now by the Liberal government are grappling with the problem. They are especially meant for the citizens who generally need more assistance in such difficult times. Furthermore this was pointed out by the Minister of National Health and Welfare (Mr. Lalonde) in his comments on Bill C-223, at page 6351, and I quote:

● (2050)

When one considers that a family of four with an income of above $10,000 spends approximately 16 per cent of its budget on food—

An hon. Member: It is too much!

Mr. Gauthier (Ottawa East):

—while the same sized family with an income of less than $4,000 spends closer to 28 per cent of its budget on food, it is obvious that the increase of 20 per cent in the price of food over the past 18 months will have a much greater impact on the low-income family as compared with the higher income family.

An hon. Member: This is true.

Mr. Gauthier (Ottawa East): Mr. Speaker, in a workers' constituency like mine, where the size of families is larger than the national average, it is obvious that government legislation providing for a $12.00 increase of family allowances will be much appreciated.

Combined with the recent measures taken by the government, this legislation will give our people more purchasing power and, consequently, improve their standard of living.

In closing these short remarks, Mr. Speaker, I note that Bill C-223 fits remarkably well into the already announced government policies—

An hon. Member: That is true.

Mr. Gauthier (Ottawa East):—aimed at upgrading the social security system.

An hon. Member: That is true.

Mr. Gauthier (Ottawa East): Mr. Speaker, Bill C-223 follows up the measures already announced related to the

old age pensions and to the guaranteed income supplement, with quarterly adjustments. The government uses its powers and assumes its responsibilities in the war against inflation.

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in his speech on Bill C-223, an act to amend the Family Allowances Act and the Youth Allowances Act, the Minister of National Health and Welfare (Mr. Lalonde) suggested that, putting the bill into proper perspective in the total program which the government had announced to protect the purchasing power of the Canadian consumer, the legislation was designed to limit the effects of inflation in Canada. He especially mentioned that Canadians are suffering the first consequences of inflation, particularly in the area of food costs. He went on to say that the exceptional increase in food prices confirms the urgency of passing such provisions.

I agree with the intent of this bill but I suggest that food prices will continue to rise, that far-reaching changes are altering the food industry and the food marketplace and that this bill will act only as a stopgap in the present escalation of food prices. First of all, Mr. Speaker, the rise in food prices was long overdue to the primary producer, the farmer. There had been very little increase in the price paid to farmers, especially grain farmers, in the last 20 years. Also, the number of people who have left the farm in the previous ten years has been nothing short of rural depopulation. Now we are experiencing a rise in food costs around the world and the Canadian consumer is vitally affected.

There has been a rapid rise in the main export grains and commodities such as flaxseed, rapeseed, wheat, barley and other feed grains. This rise has not all been due to a shortage of grain, as some would have us believe, but has come about because the prices of these grains and oilseeds are set around the world and the hard currencies, the mark and the yen, which set our prices have appreciated so much against the Canadian dollar that much of the price rise can be ascribed to the changes in the international monetary market. For instance, the German mark, which only a short time ago traded at four marks to the dollar, is now trailing at 2.4, indicating that the Canadian dollar has devalued 40 per cent against the mark.

The price of rapeseed is largely set by the German mark. What was the going price of $3 for rapeseed for the Canadian farmer a few months ago is now $5. This increase does not represent any actual accrual in price but merely reflects the changes in currency values. This indicates, Mr. Speaker, that the rise in grain prices has been in many instances the result of international monetary changes rather than the result of the drastic moving up in grain prices so far as international markets are concerned.

This depreciation of the Canadian dollar has benefited Canadian farmers. Canadian consumers who benefited for years from the fact that German and Japanese goods were relatively cheap now find there has been a reversal and the other side of the coin has come up, so that the farmer selling foodstuffs has an immediate advantage. However, the government has moved to reduce the farmers' advantage in a swift and sure fashion.

[Mr. Gauthier (Ottawa East).]

Yesterday in the House we heard the right hon. member for Prince Albert (Mr. Diefenbaker) detail the convolutions that the government went through in setting the price for wheat to be made into bread in Canada. At first the price seemed to be set at $3.25 per bushel to the millers, with $1.25 of that being paid in subsidy. The next announcement was that it would be $3.25, with a subsidy over and above the $1.25. Then the minister in charge of the Wheat Board, during a trip to Winnipeg, got it up to a $1.75 subsidy.

An hon. Member: Order.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member. I know that extraordinary latitude has been granted in speeches throughout the debate today and on the previous day. If we can agree that this debate is to be treated as some sort of debate on the economic affairs of Canada, instead of one which has to do specifically with the act that we are considering, we would be home free. However, if we do not so agree, then the hon. member is clearly not in order as he is not dealing with an act relating to family allowances and youth allowances.

I know we are in difficulties. The Chair has tried to be reasonable and perhaps even a little deaf with regard to hon. members' contributions in the last couple of days. However, once in a while when the Chair does that it is called to order. Therefore, if the hon. member would refer to family allowances at least once every couple of minutes, the Chair would feel much easier.

Mr. Ritchie: Mr. Speaker, may I point out that the minister in his statement said that this bill was brought forward as part of a package to alleviate the pressure of food prices. I believe he said something like that in his opening statement and mentioned that the bill was being brought forward to alleviate some of those problems.

• (2100)

We are in agreement with the proposal that family allowances be increased which, as the minister stated, is to help families cope with the high cost of food. I am detailing some of the reasons why food prices have risen and why this legislation is necessary. I suggest that the rise in food prices has been due to monetary convolutions around the world, and unless changes are made prices will continue to rise. In any event, had grain prices remained low there would have been more of an indication for a fall off in food production. It is important that food production be increased, and this is the result.

I wish to point out something else the government will have to consider with regard to the problem of high food costs. The world market for feed grains has increased phenomenally. The main Canadian feed grain commodity—at least the one that moves into the markets of the world—is barley, which is currently bringing over $3 a bushel in the marketplaces around the world and there is every indication it will remain at this level for the coming year. There may be some reduction when the American soybean crop comes on the market along with the American corn crop. However, this price largely represents the increase in the depreciation of the Canadian dollar. This makes it necessary to increase family allowances to help those who have had their incomes depleted. We should not

forget that in the international money market billions of American dollars being held abroad are depreciating in value. Many holders of American dollars abroad have been buying American wheat, soybean, and so on, in the commodity market so as to protect their dollars.

This bill is to allay the price of foodstuffs. A certain danger now exists. The price of barley is quite high. It is agreed that with the present state of pricing, producers of hogs and cattle could have to have increased prices. There is also the problem of the hassle between the governments of Manitoba and Saskatchewan and the minister in charge of the Wheat Board. This is a matter of uncertainty and will raise the price of grain and input of the feeder.

As well as this bill, the government could have moved in other ways to improve food production. The tax bill passed recently makes it exceedingly hard for farmers. The manufacturing and processing industries received tax benefits, but the government did not even restore the straight line machinery benefit or a real basic herd provision. The continuing impact of capital gains, dovetailed with the continuation of the estate tax by the provinces, has a very deadening effect on long-term agricultural production and planning. This is perhaps due to the basic individual nature of the farming industry.

I have attempted to detail some of the reasons food costs have risen, prompting the bringing forward of this bill. It has been stated this bill is necessary because of the increase in the cost of living, mainly in the price of food.

Mr. Harry Olaussen (Coast Chilcotin): Mr. Speaker, in today's world there is a need for improved social conditions. There is a need for improvement in the quality of life. There is a yearning for the better things in life. However, we find people such as the hon. member for Témiscamingue (Mr. Caouette) who are quick to criticize governments for trying to improve social and economic conditions, and quick to criticize provinces which attempt to do something for the average person. I will not go into that question in further detail. All I can say is this: if that kind of rhetoric is put into practice, I feel sorry for the average person in this country and, indeed, for the world.

Canada today finds itself at a stage in which the cost of living is affecting every man, woman and child. The price spiral is particularly felt by those on low incomes and by those blessed with one or more children. The decision to bring in an immediate change to the present Family Allowances Act in order to cope with the inflationary spiral in this country reflects the need for such action. It reflects the need to enable families to meet greater financial commitments in feeding and clothing their children. This decision, I am sure, is welcomed by most members who feel that immediate relief is essential in this area and that, coupled with other plans to deal with the cost of living, the burden to low-income Canadians can be reduced and that families can afford to live in a manner befitting a civilized and a rich industrial country such as ours.

As a result of this bill, the main purpose of which is to provide allowances to consumers as soon as possible, the 3½ million families in Canada will benefit from an across the board increase to $12 per month, regardless of the children's age. This will be followed by an increase to $20

per month starting in January, 1974, and according to the formula determined in each province. Undoubtedly there are many who would criticize a family allowance program and the need for such benefits. First, I must point out that the program came into effect in 1945. It was universal in scope, covering every child under the age of 16 who was born in Canada or who had been resident in Canada for one year. The program has been in effect since then and reflects a commitment to the dignity and worth of the individual and the family. It reflects a need to be humane and fair both in the benefits and in the administration of such a program. It reflects a need to avoid discriminatory provisions. Finally, it reflects a need to provide a level of benefits sufficient to assure every Canadian family the necessary resources to escape poverty.

We are all agreed that the presence of children places a financial burden on low-income families. Wages and salaries do not ordinarily take into account the size of a person's family. Neither do most social insurance measures. The government must see to it that families are given the resources to raise their children in the best way possible because the health and well-being of the children is important in a civilized and concerned society such as we have in Canada.

There are those who claim that giving family allowances will encourage families to raise more children. However, sociological studies do not show that this is so. The Canadian population rate has been going down. The birth rate in the province of Quebec, where large families have been usual, has been the lowest of any Canadian province. According to the tables provided by Statistics Canada, live births per 1,000 population for Canada in 1961 were 26.1. In 1971 the figure was reduced to 16.8. In British Columbia, for the information of my constituents, live births have gone down from 23.7 per 1,000 population in 1961 to 16 per 1,000 population in 1971.

● (2110)

In Quebec, where birth rates have always been high, we find that live births per 1,000 population went down from 26.1 in 1961 to 14.8 in 1971.

These details emphasize the fact that the country's birth rate has decreased dramatically and that family allowances have no effect on the size of the family. There is no need to discuss the inadequacies of the family allowances bill which was debated in the House last year. Suffice it to say that the Liberal majority government of last year intended to create greatly expanded bureaucratic machinery to deal with a scheme which was totally unrealistic and unacceptable to the opposition members of the House. I am therefore glad to see that the principle of universality has not been discarded in the measure before us and that it is not to be discarded in the foreseeable future. The universal aspect of this piece of social insurance legislation is fundamental to an act of non-discrimination. It is not a welfare assistance program and does not stigmatize families by dividing them into income categories.

We find that with the recent introduction in Japan of allowance programs there are now 63 countries which have family allowances schemes in effect—all the industrialized countries with the exception of the United States. Fifteen countries provide allowances in principle to all

families ordinarily resident in the country containing a specified minimum number of children. In 47 countries, entitlement to allowances is ordinarily an incident of employment relations, that is, allowances are limited to employees. In all countries except three—Bulgaria, South Africa and Yugoslavia—basic allowances are paid irrespective of family income. In all, the general trend is toward government financing rather than contributory payments, and greater acceptance of the proposition that child-rearing costs are a community responsibility.

We in Canada are fortunate to live in a rich country. We boast every year about our increasing gross national product, about our increased productivity. We have seen how practically all nations which call themselves civilized have adopted universal family allowance schemes. I feel, Mr. Speaker, that the principles underlying this legislation are good. The government recognizes that families with children have special needs. On the basis of this recognition and of the urgency of the matter before us, I hope members of this House will give unanimous assent to the passage of the bill.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I hesitated at first to enter into this debate because I was involved in the earlier debate on pensions, related to members of the public service and other servants of the government of Canada who have served their time and who now, I think, need some protection. I was very happy to support that bill. I am glad to say I am prepared to support the bill which is now before the House, if on no other ground than that which was mentioned a few moments ago by the hon. member who has just resumed his seat. He said there were families in this country who are in need. There are families in need in the communities represented by each of us.

But before we rush into consideration of this bill in its final stages I think it is well for us to consider where the need really lies and, more importantly, how that need arose and what is our responsibility in the face of that need. We have heard several most interesting debates thus far since parliament resumed. We have discussed amendments to the Pension Act, amendments to the social security legislation and, currently, the measure which is before us. All this represents what has been described as another stopgap effort in a somewhat meaningless fight against inflation in response to a crisis situation, blame for which lies to a great extent upon the shoulders of the government.

Mr. Speaker, I propose to quote a paragraph which appeared in the *Financial Times* edition of September 10, 1973. It is taken from an article dealing with the economy, which I believe offers the best description of the package of legislation placed before us as an anti-inflationary measure. The article, which appears on page three, starts this way:

> The government put another finger in the dike in an attempt to stop the rising tide of inflation but the latest anti-inflation package seemed to be just another stopgap attempt until the floodwaters subside.

That is what has happened in this country, Mr. Speaker. We have gone from crisis to crisis, from economic calamity to economic calamity, putting a piece of sticky plaster here and a piece of sticky plaster there, stopping the flow of our economic blood rather than getting down to fight, on its own ground, what has become the cancer of inflation.

Mr. Smith (Saint-Jean): What do you propose?

Mr. Baker: Mr. Speaker, every time I hear the hon. member on the other side open up, I realize that the noise he makes is as the noise from an empty barrel.

There is no doubt that the country cannot continue to afford the laying on of sticky plasters. There is no doubt that there is an end to what a growing nation, a nation which is dependent on other parts of the world, can hope to salvage by continually increasing payments, as worthy as they may be, without at some time or other taking a long, hard look at the causes and asking itself whether or not the time has come for a government, at long last, before the course is run and before economic calamity takes place in the country, to cry halt.

The problem about the government, Mr. Speaker, is that it has not yet decided to cry halt. We are faced with measures which propose just temporary relief for persons in need. I do not want to suggest, and I would not suggest, that such relief is not needed. But neither the government nor anyone else in this country should delude themselves into thinking that the policies which were announced in that empty speech delivered by the Prime Minister (Mr. Trudeau) on September 4 will ever do anything to get to the root of our economic troubles.

Mr. Smith (Saint-Jean): But will you vote for the bill?

Mr. Baker: I think I made my position clear with respect to this bill at the outset. In the name of those people who are suffering because of the inadequacies of the policies of the government, of course I will vote for the measure. At the same time, I want to make it clear that until this country accepts the fact that we cannot fight the problems we face in 1973 with the economic weapons of the 1950s, until we decide to look our problem in the eye, to grasp the nettle firmly, to tackle these difficulties with new economic policies and new economic controls such as have been outlined as the policy of our party, we are fighting an action whilst in retreat.

Mr. Speaker, I ask you to note that we are living in a nation where the wholesale price index is galloping upward, where the consumer price index is galloping upward, where farmers are facing an intolerable burden of production cost, where they are asked to produce under this burden, where we have big unions and labour who not only expect inflation but accept it as a way of life. The unions are told by their membership, "Protect us against this expected inflation." There is an economic psychosis present in our country. I think it has been well demonstrated by the lack of progress that the policies of this government have failed to cure it.

● (2120)

We must not look to increased allowances for anything more than temporary relief. We must get down to the root of the problem. We must tell the farmer that we will control his input costs, that we will ensure the eastern farmer a reasonable supply of feed grain at a reasonable price. We must tell the old age pensioner and those in this

country who depend on youth allowances—unfortunately, there are many of them—that we have a policy to meet the problem, not just a policy that adds to the inflationary picture. We must tell them that they do not need to look to governments all the time, but that they can become self-sufficient. We must tell the heads of families that there is an end to increasing prices and to the crush of inflation. We must tell members of unions and, more importantly, workers in this country who are not members of unions that they can expect that the dollar they bargained for in 1973 will be worth something in 1974.

This is the challenge that this government had on September 4, 1973, and it is the challenge on which the government turned its back. Instead we have to deal, rather than with a policy of firm foundation, one of lasting worth, with yet another Trudeau band-aid measure.

An hon. Member: What would you suggest?

Mr. Baker: If the hon. member was not in the House when my leader spoke, then I suggest he read *Hansard* for that day. I would then ask him to consider my leader's speech in the quiet of his room and to balance it against the speech of his own. If he is an honest man, I think he will come to the proper conclusion.

I do not intend to prolong this debate much longer, I am sure you will be delighted to know, Mr. Speaker, but I do want to say to those who would care to listen, and to listen with their ears rather than their mouths, that there is something that can be done in this country. All the wisdom in this country does not end with the treasury benches. There is an alternative to stopgap measures to fight a problem that the government of the day has decided, with the support of the NDP, cannot be fought. I do not believe that in this land of plenty, this land of such great potential, we should be saddled with a government so devoid of imagination and compassion that the only thing they can offer the people of Canada is a stopgap attempt of the sort described in the *Financial Times* which I have quoted.

In an effort to bring this matter on, and knowing that the Minister of National Health and Welfare (Mr. Lalonde) is interested in getting his band-aid plastered on a sickly patient, I shall sit down. In the interests of those who must be protected from the inadequacies of this government, I intend to support this legislation.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise to support this bill. Like everybody else, I suppose I am in favour of motherhood, too. In fact, I am not sure whether any of us has the intestinal fortitude to vote against the bill. In any event, I listened with astonishment and amazement to the hon. member—I am sorry, but I cannot remember his riding—who suggested that a reasonable alternative would be to raise—

Mr. Knowles (Winnipeg North Centre): Edmonton-Strathcona.

Mr. Leggatt: Yes, Edmonton-Strathcona (Mr. Roche)—who suggested that we should raise the minimum wage as a solution to the problem of inflation. About 10 per cent of the workers of this country are governed by federal minimum wage legislation, and almost all of them are above the minimum wage. So this would be a completely useless step. Talk about band-aid! That is not even a band-aid; that is a piece of scotch tape.

There are a couple of things in the bill about which I am a little concerned and have some reservations. One is the non-taxable aspect of this emergency measure which will last until the January, 1974, provisions, when the family allowance will go up to $20 per child. Frankly, I cannot understand why this could not have been made taxable and put at a higher level on the same principle. I think most hon. members accept the principle of taxability. The concept of universality with taxability seems to me to combine the element of fairness with the avoidance of an unnecessary bureaucracy to manage the system.

The major reason for my support of this bill, and I think for the support of many members of my party, is that it really means a redistribution of income next year of about $800 million. That is a significant figure in terms of social justice and equity in this country and I welcome the bill on that basis.

The other reservation I have is one about which I think we should all ask ourselves, namely, whether increasing family allowances encourages larger families. I think it should be perfectly clear that larger families in this country are no longer a worth-while social goal. In fact, in view of the finite resources of this planet, I think having a large family should be classed as an anti-social act. I am delighted to see the Minister of Justice (Mr. Lang) present in the chamber this evening; he can contemplate that particular thought. After all, there is only so much to go around, and the Minister of Justice must be consuming a fairly large section of the resources of his own family at the present time.

The best scientific opinion today tells us that this country and every other country in the world is seriously overpopulated. We can take two basic assumptions which the vast majority of people everywhere will agree with and which will persuade us there is an overwhelming case for reducing world population. The first of these assumptions is that it is desirable for every industrial society, with all its benefits, to continue to exist for more than a few decades. Certainly we will not exist for much longer unless we control world population. The second assumption is that every child born into this world should have the opportunity to obtain enough to eat and to enjoy a decent standard of living. For these goals to be reached it is essential that the total demand on the world's resources be reduced.

Per capita world demand must increase if we are to get anywhere near avoiding poverty in most countries of the world. To some extent this family allowance legislation does allow per capita demand to increase; money will be made available to buy food and clothing in areas of real need. We must remember, however, that the population of the world is doubling in a period of 35 years. There are 3.8 billion people in the world today; there will be seven billion people in the world by the end of this century. The problem of inflation is clearly related to over-population. In fact, you can relate the increase in the crime rate and a great many problems that are dealt with in this chamber to this oppressive, overwhelming problem of overpopulation.

It is important to note that birth rates in Canada have fallen to their lowest level. The average family now has 2.19 children. But even at that, equilibrium between births and deaths in this country will not be achieved for another 67 years at the present rate. Incidentally, the most socially responsible province in this country, in terms of family size, is Quebec, which has the lowest birth rate of 1.9 children per family. The whole province should be congratulated on its responsibility.

There has been a myth in the part of the country I come from that family allowances were somehow a device or method invented by Mackenzie King to retain the Quebec vote. Based on the figures I have given, it would seem that this would apply to the vote in P.E.I. which has the highest birth rate in Canada. In any event, the family allowance was an important piece of legislation to Quebec, just as it has been to all parts of the country. I can find no evidence that it has either increased the desire to have a large family or the desire to have a small family. But we do need a national population policy in this country, one which sets population goals consistent with our responsibilities as world citizens. Thereafter we should take legislative action to achieve those goals.

• (2130)

What we are really doing here is legislating this increase to relieve the effects of a disastrous inflationary cycle. There is no doubt, at least in my mind, that inflation is caused by rising population in a world of finite resources. If by granting this increase we were encouraging larger families in this country, we would be acting irresponsibly and wrongly. However, as I say, I can find no evidence to that effect so I have no hesitation in supporting this piece of legislation.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise to speak on this bill largely because of the speech made by the Minister of National Health and Welfare (Mr. Lalonde) when he introduced the legislation. I think it is one thing for the government to introduce this measure which, judging from the speeches to date, most members of the House intend to support, but it is something entirely different for the government, having introduced the bill, not to admit that their mishandling of the economy has resulted in the country needing the bill.

I say that, Mr. Speaker, because I find it very curious, on a bill which contemplates the raising of the family allowance from the present levels to new levels, that the minister to whom I have referred went out of his way to try to indicate that the inflationary pressures in the country are not due to his government but are somehow due to the world inflation in which his government is caught up. It is time that members of this House stood up and be counted.

Some hon. Members: Hear, hear!

An hon. Member: They did last night.

Mr. Stevens: It is the government's mishandling of the economy that has resulted in inflationary, skyrocketing prices. It is time that members of the House on all sides stood up and refuted the ministers of the Crown who are consistently misrepresenting the facts in the House. Let us look at the facts. What did the minister say when he introduced this bill?

An hon. Member: Talk about the Bank of Western Canada.

Some hon. Members: Oh, oh!

Mr. Stevens: Mr. Speaker, you always know when you are hitting home. The yahoos start to yelp and holler. Let us look at some of the statements the minister made when he introduced this bill. For example, he said he was introducing it so he could "protect the purchasing power of Canadian consumers." He said that Canadians are now suffering "the first consequences" of inflation, especially in the area of food costs. Mr. Speaker, if we are only suffering the first consequences, I hate to think what the last consequences of such food increases will be.

The minister pointed out that there are 3½ million families, who are responsible for 7½ million children and adolescents, affected by this bill. But I would point out that he attempted to get off the hook as to why we have inflationary pressures in Canada by suggesting it is due to the exceptional increases in food prices which confirm the urgency of passing such provisions. In another section of his speech he said these food prices are due to inflation which Canada, like most other countries of the world, has been recently experiencing.

As I say, Mr. Speaker, let us look at the facts. Surely the minister would not deny his own publication which is put out by the Bank of Canada. In June, 1973, that publication reported that the consumer price index for food for certain industrialized countries indicated clearly that in the 12 months ended last April we in Canada had the worst record of inflation of any of the countries listed in that review. I point to the fact that Canada is listed as having an inflationary rate ending in that period of 12.9 per cent, compared with the United States rate of 11.5 per cent and a low rate, for example, in Germany of 8.1 per cent. That is not the type of thing the government is inclined to admit in this House. Instead, members of the government like to mislead the public into believing that somehow we in Canada are doing even better on the question of inflation than other countries of the world.

As my leader indicated earlier, the IMF has also pointed out that Canada has one of the worst records of any of the industrialized nations with respect to inflation.

Mr. Railton: That is not true. That is what you said.

Mr. Stevens: In short, Mr. Speaker, I would suggest that it is not so much a world problem that is causing inflation to the degree that exists in Canada but, rather, a Trudeau Liberal government problem that is causing our high inflationary pressures. If you like, Mr. Speaker, one could say that in fact Liberal years of government are inflationary years of government.

Some hon. Members: Hear, hear!

An hon. Member: And Tory times are hard times.

Some hon. Members: Hear, hear!

Mr. Stevens: I say that, Mr. Speaker, based on the fact that in the years that my party last governed this country the average inflation per year was 1.7 per cent. In the succeeding years during which we had a Pearson government inflation crept up to 2.6 per cent on average per year. In the first year of the Trudeau government in 1968, inflation got up to 4.2 per cent under the mastermind who now leads the Government of Canada. By 1972 it had reached 6.6 per cent, and currently it is running at the rate of 7.7 per cent per annum. That is Trudeau government in action.

Let me put it another way. The minister to whom I have referred indicated that somehow rising food prices are something of a world nature and that we are caught up in them in Canada.

Mr. Railton: Quite right.

Mr. Stevens: In answer to certain backbenchers opposite, I would like them to explain something with respect to the July cost of living figures. Unfortunately, we do not yet have the August ones. I would like them to explain the July figures which in the United States, on an annualized basis, show that their food prices were rising at the rate of 6 per cent per year, whereas on an annualized basis, food prices in this country were going up at 22.8 per cent per year. That is just July, on an annualized basis.

Mr. Railton: That's no good.

● (2140)

Mr. Stevens: It is all very well for the minister to try somehow or other to confuse the issue. It is perhaps natural for the government to attempt to get the spotlight off its own ineptitude. However, I am interested that neither the members of the government nor their socialist companions to my left at any time indicate there is certainly at least one other contributing factor to inflation, and that is runaway government expenditure. I believe it is interesting to note that the year before this government took power in Canada, total government expenditures of all governments in Canada, be they federal, provincial or municipal, were slightly over $21 billion. It now appears that in this year alone this government will spend that amount of money at the federal level. Surely that is a clear indication that this government's runaway spending has to be inflationary in this country.

Certain government members say, "Thank God". I do not know if they refer to their leader, but I would point out that if they are thanking God they may also consult the Bank of Canada Review for August, because there they will find the impact of their spending which indicates that government expenditures, based on 1961 equalling 100, have an index of 189.6, almost 90 per cent higher on an index basis than the same expenditures in 1961. I would point out, also, that most of the increase has taken place since 1967. In 1967 the index was 131.5, whereas today it is some 50 points higher at 189.6. Surely if the minister had been a little more candid with us he might have admitted that one of the causes of inflation has been their aggressive spending program.

If I may, I should like to bring this matter into perspective. It is one thing to talk about rising government expenditures, but I believe it is also significant to relate it to the gross national product. The fact is that government expenditures in this country have been rising at such a rate that they are now approaching 40 per cent of the total of our gross national product. The leading country in the world with regard to government expenditures in relation to gross national product—at least in the free world—is Sweden. We find that socialist nation has only now touched 42 per cent so far as government expenditures in relation to gross national product are concerned.

For those who are interested in a welfare state such as Sweden, to which this government tends to be leading us, assisted by the socialists to our left, and for those who are interested in the future that lies ahead of us, I recommend they read an article in the United States *News and World Report* of July 30 in which it is said the Swedish people are very unhappy at the present time and the government faces an election in which it is likely to be voted out of power for its inept handling of the economy, as is the government of this country to be voted out of power for its inept handling of our economy.

Some hon. Members: Hear, hear!

Mr. Stevens: But to put this in a little different frame, when we speak about food prices and hint that somehow our prices are no worse than can be found in other sections of the world, particularly the United States, I think it is only right to be specific. I conducted a survey as to food costs in such cities as Ottawa, Toronto, my own riding of York-Simcoe, New York, Chicago, Cleveland and Buffalo, and I believe it is interesting to find that because of mishandling by this government it is now true that one can buy the items which we included in our shipping list more cheaply in a city such as Buffalo than in Ottawa, or in my riding of York-Simcoe.

In fact, the skyrocketing Canadian food prices have now overtaken the price levels in United States cities, yet average Canadian earnings are still nearly 20 per cent lower than comparable United States earnings. Surely it becomes a little ridiculous to have a minister of this government come into the House after this situation has been created at least partly by the government's mishandling of the economy, and ask us to please pass this bill to give relief to those who are suffering, some 7½ million children, because of their inflationary problem.

I should like to point out that I also purchased in November, 1970, the same 15 items I mentioned in the last survey, at a time when the Prime Minister of this country said that inflation in Canada had been licked. At that time—November, 1970—those items could be purchased for $9.97. Today, in my riding, they cost $14.70.

An hon. Member: We know that. That is old stuff.

Mr. Stevens: Mr. Speaker, the hon. member says, "That is old stuff". I have to agree that it is old stuff under this government. If the hon. member is serious, then he is saying that it is now old stuff to have food prices rising at such a rate, for food prices to rise 47% in 33 months.

Since December, 1970, the Canadian consumer price index has risen 60 per cent faster than the United States consumer price index, and our food index has jumped 25

per cent faster than the United States cost of living in respect of food. These are the hard facts. I believe it is time that one or more ministers in the present government responsible for this situation stood up, acted responsibly in this House and admitted they have made mistakes and that inflation, because of their mishandling of the economy is now out of control and they wish our assistance in righting the matter.

● (2150)

An hon. Member: Why don't you act responsibly?

Mr. Gillies: Go back to sleep.

Mr. Knowles (Winnipeg North Centre): Are you for the bill?

Mr. Stevens: The hon. member to my left is very anxious to know whether I am for the bill. That, to me, is very similar to the same hon. member rushing over to my car after the nail that he put on the ground in front of me punctured my tire and asking whether I would like him to put a patch on my tire so that I can blow it up again.

Mr. Knowles (Winnipeg North Centre): I rise on a question of privilege, Mr. Speaker. I did no such thing.

Mr. Speaker: Order, please. I left the chair for a while, and when I returned and listened to the hon. member speak I had difficulty in reconciling his speech with what I thought was the subject matter of the debate this evening, that is, Bill C-223. I hope that an effort will be made by the hon. member, not necessarily to tell us whether he is for or against the bill but to tell us something about the bill itself.

Some hon. Members: Hear, hear!

Mr. Stevens: Mr. Speaker, unfortunately you were not here during my earlier remarks—

Mr. Knowles (Winnipeg North Centre): Unfortunately?

An hon. Member: He is the luckiest guy in the building.

Mr. Stevens: —at which time you would have known why I took the course that I did. I was induced by the minister who, in making his introductory remarks concerning the bill, introduced himself the questions which I am now attempting to refute I wish to at least bring into perspective in the House the matter of inflation. I have been asked whether I support the bill. How can an hon. memeber ask me such a question—

Some hon. Members: Oh, oh!

Mr. Stevens: —after hearing my remarks to date.

Mr. Knowles (Winnipeg North Centre): That is precisely why I am asking.

Mr. Stevens: If I may, I would like to sum up—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Question.

[Mr. Stevens.]

Mr. Stevens: —by simply saying that this bill is necessary and should be passed by the House because of the inflationary economy in which we find ourselves now. But I would add that it is an inflationary economy that we do not need to have in Canada. It would have been far better for the government to have taken steps to ensure that the inflationary effect which they are attempting to relieve in this bill did not get out of control to the extent it did; then in fact this bill would not have been necessary. I say this because, if I may again refer to the minister's speech, he stated:

> The bill before us constitutes one aspect of the strategy adopted by the government to fight inflation.

An hon. Member: Hear, hear!

Mr. Stevens: One lone member on the government benches supported that statement. But I ask in all seriousness: Can you say that this bill is fighting inflation in any way?

An hon. Member: Yes.

Mr. Stevens: It may relieve the effects of inflation, but surely it is a gross misrepresentation to indicate that this is a measure to fight inflation. If anything, it will probably add to inflation.

I believe that it would serve the House better if the government were to bring in some legislation to help contain inflation. Included in that legislation I would suggest that they should bring in some measures to curb federal spending. I suggest that the least they could do would be to freeze their spending, or at least to bring it into a near-freeze situation. As has been already indicated, it is one thing to pass legislation which they feel would relieve the impact of inflation to which they have contributed. Surely, however, they will do it eventually. Today would be better than later, so why do they not bring in wage and price controls to help curb inflation?

Some hon. Members: Oh, oh!

Mr. Stevens: A survey is being conducted by an independent source very close to this city which certainly indicates that such wage and price controls are desirable. If they want it in Cornwall, I know they want it throughout the nation.

Some hon. Members: Hear, hear!

Mr. Stevens: I also suggest it is time the government considered structural reforms in order to remove certain of the economic abuses in our structural system that result from the monopolistic power of companies and unions. I believe that the government must accept more responsibility for their monetary policies, as the Minister of Finance (Mr. Turner) indicated in the House—

Mr. Speaker: Order, please. The minister is seeking the floor on a point of order.

Mr. Lalonde: Mr. Speaker, the Conservative Party has been known—

Some hon. Members: Order.

Mr. Lalonde: The official opposition has been well known over the years for its opposition to any move with regard to family allowances. They are certainly free to talk on this bill as long as they wish; that is their right. But we were regaled by a speech on the Wheat Board a few minutes ago and now we have heard a speech on wage and price controls and on many other subjects. I hope that if we are to continue for another day or two—

Mr. Bell: Ten o'clock. Filibuster.

Mr. Lalonde: —on this particular subject, hon. members will at least obey your instructions, Sir, to speak on the bill.

Some hon. Members: Order.

Mr. Bell: I rise on a point of order. The minister talked out his own legislation.

Some hon. Members: Question.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

VETERANS AFFAIRS—VICTORIA, B.C.—POSSIBLE TRANSFER OF HOSPITAL FROM FEDERAL AUTHORITY—REQUEST FOR CONSIDERATION OF VIEWS OF VETERANS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, yesterday I asked a question of the Minister of Veterans Affairs (Mr. MacDonald) concerning the transfer of a veterans hospital from the federal authority to the municipal and provincial authorities in Victoria and I requested the consideration of the views of veterans. At that time, Sir, you were kind enough to suggest that this might be better debated at the time of adjournment, and I certainly agree with you.

My first question is: For whose benefit is the transfer of this hospital? When I was home during the month of August I received 51 phone calls from veterans about this matter, and 51 were opposed to the transfer of the veterans hospital to other than the directorate of veterans affairs. This was an unusual thing and I spoke to several people about it. I spoke to the staff at the hospital, to two of the doctors at the hospital and to many of the patients. Their feelings were all the same—they wanted the situation to remain as it is at the present time.

● (2200)

Victoria is not a usual kind of city. It is a great gathering place for elderly people who come there to enjoy their old age in secure surroundings. People who do not live in British Columbia may not be aware of this, but the cost of domiciliary hospital care for elderly people is staggering for a city of generally low income. While British Columbia medical plans and hospitalization plans in theory provide for the care of elderly citizens, in fact they do not. A person entitled to this care can never find a bed in a domiciliary hospital and must go into a private hospital where the cost is from $300 to $600 a month.

The possibility of this veterans hospital being transferred to civilian control is causing a great deal of insecurity among aging veterans in Victoria. When one sees as many elderly people as there are in Victoria, one soon learns that their greatest concern is the fear of insecurity as they grow old.

Some of the leaders of the veterans' organizations agree that the information sent out by the Department of Veterans Affairs is only to convince them that this transfer is inevitable and that they might as well relax and enjoy it. It is presented to them that they should try to get the best terms they can. I am not inclined to accept that because it has gone beyond that "in between" stage where something could be done by the people most concerned. A senior administration official went out to visit the minister of health in the provincial government, but I was denied admittance even to take cognizance of the arrangements being made. He then went to speak to the heads of the Legion, and again I was denied admittance. This is manipulation of the representatives of the people. I suggest to you, Sir, that a bureaucratic government of this country at times is manipulated by its senior administration, and this is an example of it.

A year or so ago this was but a rumour, and a few years ago we were promised certain conditions would be met. In a speech in 1964, Mr. Teillet, the then minister of veterans affairs, said there would be three conditions. The first was accommodation for the treatment of service-connected disabilities and the second—the one in which I am particularly interested—was that community institutions of acceptable standards must be available to look after workloads created by other classes of veterans, which means that such veterans will be able to get treatment in their own communities, near their own friends and families.

This is just what they cannot get, Mr. Speaker. If control of the veterans hospital in Victoria is to be transferred to the civilian hospitals, several veterans who are now domiciled in the veterans hospital have no chance whatsoever of being admitted to a general hospital. This is simply because they have been operating for many years under different regulations and different attitudes. The attitude in the general hospital—and it has to be that way while hospital beds are in short supply and cost $100 a day—is to get the person in, do the surgery or whatever is necessary, and get him out.

These are not the kinds of terms that we expected for the veterans hospital. These people did not grow old of their own volition. Nevertheless, they grew old. They cannot help it if they are ailing. They are aged, ailing, and apparently need to suffer from some kind of curable disease which is of interest to the medical profession so that members of that profession will take an interest in them. Most doctors are not too fussy about looking after a group of elderly patients. However, the people of Canada did not build the veterans hospital system for the benefit of the medical profession; nor did they build it for the benefit of

the senior administrators of the minister's department. They built it for the benefit of veterans.

I suggest to the minister that before any move is taken such as is envisaged for the hospital in Victoria, he go out there and talk to the patients in the Victoria veterans hospital.

Mr. Speaker: Order, please. The hon. member's time has expired.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I am grateful for this opportunity of clarifying the present position as it affects the Victoria veterans hospital and of removing any fears of uncertainty that may have been caused by recent rumours as to its future.

First let me state clearly that no definite decision has yet been made regarding the future of this hospital. As a matter of policy, however, the government has indicated on many occasions that it hopes to transfer veterans hospitals to provincial or regional jurisdiction provided that satisfactory arrangements for such transfer can be made. I would emphasize that the purpose of these transfers is to ensure that the best possible medical care may continue to be made available to veterans.

On August 16 and 17, Mr. Speaker, officials of the Department of Veterans Affairs met with provincial officials to discuss the terms of a possible transfer agreement affecting the Victoria hospital. Following this meeting, the federal government officials met with the officers of the British Columbia Provincial Command of the Royal Canadian Legion to bring them fully into the picture.

It is an absolute condition of any transfer agreement that a satisfactory number of priority beds must remain available for veteran patients on a continuing basis. I might add that experience of previous transfers has demonstrated that the care of our veterans in the transferred hospitals has never been at a higher level.

It is the intention of the department to continue to explore the possible transfer of this hospital in accordance with determined government policy, but of course only if the required safeguards are fully assured as they relate both to the veterans and to departmental employees. In addition, the officials will keep in touch with veterans' organizations so that they may remain fully conversant with the status of negotiations.

VETERANS AFFAIRS—INQUIRY AS TO INCREASES IN WAR VETERANS' ALLOWANCES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, yesterday, September 10, as recorded in *Hansard* at page 6371, I put this question to the Minister of Veterans Affairs (Mr. MacDonald):

In view of the fact that there are to be increases in old age pensions and family allowances next month, and in view of the minister's statement that the government will treat veterans with fairness, may I ask if the minister is now in a position to indicate precisely what steps the government will take, having in mind in particular veterans who are on the war veterans allowance?

The rest of the exchange is recorded on page 6372 of *Hansard* and it reads as follows:

[Mr. McKinnon.]

HON. DANIEL J. MACDONALD (MINISTER OF VETERANS AFFAIRS): As I indicated to the House last week, the government is in the process of taking the necessary steps, Mr. Speaker.

MR. KNOWLES (WINNIPEG NORTH CENTRE): Is the minister not in a position to state definitely whether it is proposed by order in council to raise the ceiling on permissible income under the War Veterans Allowance Act or whether there will be some other adjustment in the amount being paid to war veterans allowance recipients?

MR. MACDONALD (CARDIGAN): Mr. Speaker, I would prefer not to announce government policy until it is government policy.

It is not surprising that at that point *Hansard* records:

SOME HON. MEMBERS: Oh, oh!

Hansard goes on as follows:

MR. KNOWLES (WINNIPEG NORTH CENTRE): Will the minister make an announcement in time so that any improvements for the war veterans can be effective in October, as they will be for the other groups to which I have already referred?

MR. MACDONALD (CARDIGAN): I hope to be able to make an announcement in sufficient time.

Now that we are in the more quiet and relaxed atmosphere of the "late show" period, although there are not many members present to hear what the minister will say, I hope he will give us a firm and definite answer to my question. I say to the minister that I am really hoping for two things. I am hoping he will tell us what the government is going to do in this particular instance when old age pensions are being increased and the pensions of retired civil servants are being increased so that veterans receiving the war veterans allowance will not go through the experience of getting an increase in one hand only to have it taken away from the other.

● (2210)

I said I am hoping to get two things out of the minister. That is the first. I would like to get the assurance that in October the veterans will get the fair treatment the minister talked about. I would like the assurance they will get the full benefit of any increase they receive in old age security and guaranteed income supplement and that in January those who are retired civil servants will also get the full benefit of any increase they receive at that time.

The second thing I would like to get from the minister is perhaps even more important. I make this appeal because I think the minister will want to respond to it. My appeal is that the minister solve this problem once and for all. As he knows, it has happened both ways in the past. There have been times when the government has acted fairly and raised the permissible income ceiling or taken whatever step was necessary so that the veteran receiving the war veterans allowance kept any increase he got. However, there were other times when it has happened in a most unfair manner, when veterans have not been able to keep increases granted to them.

As a matter of fact, this year under this minister, because the increase in disability pensions was delayed so long and because the war veterans allowance increase was made in April, some veterans who got the disability increase in July discovered that the increase which they got in the allowance in April was nullified because of this further increase. I think that happened because of the upset in the government's plan. The government had planned for both of these increases to come at the same

time. Because one came in April and one in July, there was this mix-up.

The point I am making is that sometimes it is handled in a way that is most unfair and sometimes in a way that is fair. Is it not possible for this minister, with the support he has from some of us in this minority government situation, to persuade his colleagues in the cabinet to come up with a device so that it will never happen unfairly again, and that every time there is an increase in old age pensions or any other benefits that get into the pockets of veterans, they will not lose that increase from war veterans allowance?

As far as October is concerned, we are talking about only $9.02 a month, which is the increase in OAS-GIS combined. However, it is pretty raw for a veteran, if he gets that increase on one hand, to lose it on the other. My feeling about this minister is that he simply will not let that happen, but I ask him to tell us for sure that it is not going to happen. I ask him to tell us tonight that he will take the necessary steps so that it will not happen again either now or at any time in the future.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I welcome the opportunity to reply to this question concerning war veterans allowances. When this question was raised previously I assured the House that veterans have not been forgotten. I believe that the record of this government in the field of veterans legislation is very real proof of our concern for our veterans.

With the passage of Bill C-148 in March of this year, we saw a marked improvement in the rates and ceilings of war veterans allowance and civilian war allowances. Since December 31, 1971, we have already increased these rates and ceilings by 24.8 per cent single, 27.8 per cent married and over 24 per cent for orphans. In cases where the husband and wife are both 65 or over, because of the exemptions provided the increase is 32 per cent.

These increases, together with the amendments to the regulations concerning casual earnings which are $1,000 single and $1,500 married, the removal of the penalty for having a home valued at over $10,000, and the provisions for the automatic escalation of the rates and ceilings in accordance with the rise in the consumer price index, represent in all a genuine effort to improve the standard of living for this very worthy group of Canadians.

A unique feature of Bill C-148 was that for the first time in the history of the legislation, limits on personal property were abolished. In June of this year we introduced legislation which, I am proud to say, the House was pleased to pass, increasing disability pensions paid under the Pension Act by 34.2 per cent, or $100 per month, thus raising the new basic rate to $4,704.

I am sure I speak for all members when I say Canada is proud of its veterans legislation. This government has every intention of maintaining our record of dealing fairly with veterans and their dependants. The effect of the old age security pension and guaranteed income supplement increases on war veterans allowance is only one of the matters with which we are concerned. Others of equal importance have also been receiving our attention.

I assure you, Mr. Speaker, that at the appropriate time measures will be introduced to further improve the War Veterans Allowance Act. Further, in response to the hon. member may I say I am proposing a device which, I hope, will remove the discrepancy about which we have been talking.

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

HEALTH—REQUEST FOR ASSISTANCE TO ALLIANCE FOR LIFE

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, many Canadians are concerned about the rising abortion rate and would like to see the number of abortions decreased. Abortions have nearly quadrupled within three years and now amount to approximately 10 per cent of live births in Canada, as will be seen by the following figures: 1970, live births 371,888, abortions 11,152; 1971, live births 362,187, abortions 30,923; 1972, live births 342,050; abortions 40,000.

These figures not only reflect the cheapening of human life but also contain a warning concerning the future health of the nation. Perhaps most striking is the correlation of the number of induced abortions with the prematurity of subsequent children and thus with the presence in subsequent babies of congenital handicaps. There are also striking increases in perinatal mortality and various sorts of morbidity of the mother.

Alliance for Life is the only effective national organization directly attempting to alleviate this situation. As a non-denominational, pro-life movement it co-ordinates the work of a growing number of local organizations, currently numbering 50, with a membership of over 10,000 ranging from Newfoundland to Inuvik. It is pursuing its goal by creating and distributing audio-visual aids, by providing trained speakers for high school classes, university seminars, church and social groups, by staging public exhibits, for example, at the Canadian National Exhibition, by keeping the theme of respect for life before television, radio, magazines and newspapers, and by generating research.

Last May, Alliance for Life officials came to Parliament Hill. A delegation headed by the renowned gynaecologist, Dr. Heather Morris of Toronto, presented an excellent brief to the Prime Minister (Mr. Trudeau) and several cabinet ministers. Attached was a petition signed by 350,000 Canadians urging that "abortion legislation be amended in order that full and equal recognition and protection be given to all human life before as well as after birth."

Subsequently, Alliance for Life requested a grant from the federal government to help develop its educational program and to enlarge its ability to communicate with the public. The amount requested was $587,000, the major portion of which would be spent on a carefully prepared campaign of visual advertisements in magazines and cards inside public transportation. The request was met with a hostile response from the Department of National Health and Welfare. The department advanced the argument that if federal support were given to an organization which was clearly opposed to any liberalization of the law relating to abortion, the government would expose itself to

pressures to do the same for organizations holding contrary views. In fact, the department has not hesitated to fund organizations which both officially endorse and actively work toward the withdrawal of all legal restrictions on abortion.

For example, the Family Planning Federation of Canada, which recently received a grant of $500,000, takes the official position, and publicizes it, that abortion should be removed from the Criminal Code and that all hospitals be forced to provide abortion on request as a condition of receiving public funds. Part of the $500,000 was distributed to the local affiliates of the federation, many of them called Planned Parenthood. Planned Parenthood of Toronto has stated that this grant is being used to distribute to students literature which says, in part: "We think having an abortion is more moral than bringing an unwanted child into this world".

● (2220)

Planned Parenthood of Toronto stages seminars for 13 to 19-year olds at which the pro-abortion position is clearly advanced. I have in my hand a comic book distributed widely by Planned Parenthood which says:

> Some people consider abortion immoral and they have a right to think this way. Most people, as well as the majority of religious groups, believe that women should have the right to make their own decisions about their unintended pregnancies—whether to give birth (keep the child or put it up for adoption) or have an abortion. Where abortion is illegal only the rich can arrange for a safe one.

Planned Parenthood of Guelph summarizes the result of its abortion counselling service in which for the first six months of 1973, of 29 pregnant women counselled, 25 had therapeutic abortions. Further, the department itself is distributing pamphlets, printed in the United States, containing pro-abortion messages.

It is ridiculous to state that this government is not aiding the pro-abortion movement. It is not only hypocritical; it is a national scandal that the government refuses at the same time to give concrete assistance to the pro-life movement in the face of alarming escalation of abortions in Canada.

Canada has the opportunity to lead the world in showing that non-violent solutions may be found for the ills of our society, and this government has a unique opportunity of being in the forefront of this leadership by promoting respect for all human beings, born and yet unborn.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I thank the hon. member for his comments and for the facts he put on record. I have had an opportunity to meet with members of Alliance for Life during the past few months and I have always been impressed by the devotion and the quality of work being accomplished by this organization. As to their particular request for funds, the matter is still under consideration.

In his speech the hon. member made certain statements that I should like to check, particularly regarding the official position of the Family Planning Federation of Canada. I must confess that this is the first time, to my knowledge, that an official position has been attributed to the Family Planning Federation of Canada and I shall certainly investigate this matter further.

As to the activities of various affiliates, obviously one could always answer, on the other side, that there are other affiliates of the Family Planning Federation of Canada which are opposed to abortion in any way, shape or form. I suspect that within the Family Planning Federation of Canada one would find a wide variety of opinion, so in a way I do not think it would be quite fair to take just one side or one group within the Family Planning Federation and represent it as the view of the federation.

As to the particular document that has been printed in the United States and allegedly distributed by my department, it was brought to my attention a couple of months ago and I immediately gave instructions that such distribution be stopped. I understand there is really very little circulation. It was a kind of compendium of brochures and publications available in the field and distributed through the department. No one had ever noticed this reference to that particular book, as far as I know.

In terms of general policy, the federal government does not regard abortion as an acceptable method of birth control; I should like that point to be made very clear. It does, however, recognize that unwanted conceptions may occur as a result of failure to use an effective method of contraception or any contraception at all. In these cases there may be justification for therapeutic abortion, not because the pregnancy was unplanned but because it may have given rise to conditions which, in the opinion of a therapeutic abortion committee, provide appropriate grounds for termination in accordance with the Criminal Code.

Birth control clinics are often visited by women seeking advice about unwanted pregnancies. To turn them away without help would be inhumane and could be regarded as tantamount to an attempt by the clinic's staff to impose their personal views about a subject on which society has expressed its collective will through the law.

It would seem that much of the difficulty in understanding the federal government's position arises from a misunderstanding of the nature of abortion counselling. In the sense in which it is customarily employed and in which it is defined by this department, it involves the objective presentation of several alternatives within the laws of Canada as defined by parliament, and not the deliberate application of pressure to consider one option only.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Wednesday, September 12, 1973

The House met at 2 p.m.

[*English*]

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF PREMIER OF BELIZE

Mr. Speaker: Hon. members might allow the Chair to bring to the attention of the House the presence in the Speaker's gallery of Premier George Price, the premier of Belize. I am sure hon. members will want me on their behalf to extend a very cordial welcome to our distinguished visitor who is in Ottawa for consultations and discussions with the government of Canada. On behalf of each and every member I welcome the Honourable Premier of Belize and express the hope that his stay in our capital and our country will be fruitful, interesting and pleasant.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

JUSTICE AND LEGAL AFFAIRS

Seventh report of Standing Committee on Justice and Legal Affairs—Mr. Jerome.

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

* * *

EXTERNAL AFFAIRS

PERSECUTION BY U.S.S.R. OF CERTAIN PEOPLE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I think this is the first time I have done this. I rise under the provisions of Standing Order 43 to seek the unanimous consent of the House to move a motion concerning a matter of urgent and pressing necessity, namely, the increasing disregard by the U.S.S.R. of the basic principles of the United Nations charter by its callous and relentless persecution of hundreds of writers, intellectuals and freedom-loving persons, which is reminiscent of the Stalinist reign of terror. If granted unanimity, I will move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That this House requests the Prime Minister, on behalf of the people of Canada, to make a personal protest to the U.S.S.R., deploring the inhumanity and injustice being perpetrated in the U.S.S.R., the Baltic States and the Ukraine, against hundreds of persons who have done no more than to express their belief in freedom of speech, and in particular against the tyranny being practised against the great scientist, Dr. Andrei Sakharov, and the Nobel Prize-winner for literature, Alexander I. Solzhanitsyn.

Some hon. Members: Hear, hear!

Mr. Speaker: The House has heard the motion proposed by the right hon. member for Prince Albert. This motion, proposed for consideration of the House under the terms of Standing Order 43, requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The motion cannot be put.

● (1410)

Mr. Diefenbaker: Mr. Speaker, I rise on a point of order with respect to the manner in which motions under Standing Order 43 are being denied acceptance by reason of the negative votes of Liberal members, making this particular portion of the rules an entire farce. I want to make it perfectly clear that the negative votes regarding this matter came from the Liberal side of the House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: On the same point of order, Mr. Speaker, I wish to point out on behalf of the government that this rule is often being misused in the House, as you yourself have noted. Very often members of the opposition seek to move motions with which, had there been consultation, or had they been put forward in another way, the government would have been in agreement. But when they are brought forward in this way it is obvious from our experience in recent times that it is generally for political purposes and not in order to obtain the co-operation of the government.

Some hon. Members: Shame!

Some hon. Members: Hear, hear!

Mr. Trudeau: Let me complete my point. This type of motion, by its very nature, would interrupt very often an equally important debate with which the government is anxious to proceed. This is a method that the opposition is using in order to usurp the order of business of the House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I rise on a question of privilege. As to any suggestion that there is a political connotation in connection with this motion, all I have to say is that the Prime Minister is trying to raise an alibi because he is treating Canadians from the Ukraine and the Baltic nations with entire disrespect.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, on the same type of question of privilege I would say to the right hon. member that this government, through its communications with the Soviet government, has done more for the unification of families and for justice to the people of the Soviet Union than his government did with this type of bland statement.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. This debate may be very interesting but I am afraid it will solve nothing. The Chair has had an opportunity in the past to express its views regarding Standing Order 43, and these views have not changed.

DEATH OF PRESIDENT OF CHILE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. David Lewis (York South): Mr. Speaker, despite the exchange that has taken place I rise to move a motion under Standing Order 43.

Some hon. Members: This will go!

Mr. Lewis: It arises out of the tragic events which occurred yesterday in Santiago, Chile.

Some hon. Members: Oh, oh!

An hon. Member: Has there been consultation?

Mr. Speaker: Order, please. May we have order. The hon. member is presenting what appears to the Chair to be a serious motion. Perhaps hon. members would like to treat it that way.

Mr. Lewis: If I could obtain unanimous consent for this motion I am sure it could be put without debate. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House extend its sympathy to the people of Chile in the tragic death of their President and express the hope that democratic institutions will be restored without delay.

Mr. Speaker: This motion, also, is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Speaker: There is not unanimous consent. The hon. member for Prince Edward-Hastings seems to question the decision of the Chair. I will inquire again. Is there unanimous consent?

[Mr. Trudeau.]

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): No.

An hon. Member: Who said no that time?

Mr. Macdonald (Rosedale): I did.

Mr. MacDonald (Egmont): Mr. Speaker, on a point of order, in light of the very serious developments involving the death of the President of Chile, I wonder whether the Secretary of State for External Affairs is prepared on motions, as I think would be appropriate, to indicate the situation with respect to the relationship between our two countries.

Mr. Speaker: Order, please. That is hardly a point of order. I suggest to hon. members that if on motions we get into the practice of asking questions that should be asked during the question period we will be out of order. I appreciate the procedural difficulty hon. members have during the question period in asking whether a minister wishes to return to motions for the purpose of making a statement. Perhaps the minister could reply briefly, but I hope we will not set a precedent in the procedure now being followed by the hon. member for Egmont. Is the hon. member for Rocky Mountain rising on a point of order?

Mr. Clark (Rocky Mountain): Yes, Mr. Speaker. In his statement the Prime Minister gave a clear indication that the negative voices which have from time to time come from the Liberal benches were in fact an expression of the opinion of the government, and I am not sure whether that was the right hon. gentleman's intention. I simply rise on a point of order to allow him, through whatever procedure is correct, to withdraw that statement if in fact he wants to withdraw it.

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

Mr. MacDonald (Egmont): Mr. Speaker, I think it might be useful for the House to avoid the situation that we get into during the question period and have the Secretary of State for External Affairs make a brief statement in order to clarify this very difficult and tragic situation.

Some hon. Members: Agreed.

Mr. Speaker: It is up to the minister to decide whether he wishes to make a statement on motions.

* * *

WILDLIFE

METHODS OF TRAPPING WILD ANIMALS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Don Blenkarn (Peel South): Mr. Speaker, I too rise under the provisions of Standing Order 43 to ask the unanimous consent of the House to move a motion dealing with what I feel is a matter of urgent and pressing necessity, especially in view of the fact that the season for trapping wild animals is again commencing, and in par-

ticular to bring the attention of the House and the committees of the House to the inhumane use of certain trapping devices, particularly the leg hold trap. I therefore move, seconded by the hon. member for Hamilton Mountain (Mr. Beattie):

That this House refer the question of kinds and classes of traps used by the fur trapping industry to the Standing Committee on Fisheries and Forestry for investigation and report.

Mr. Speaker: The motion proposed by the hon. member for Peel South requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

* * *

EXTERNAL AFFAIRS

DEATH OF PRESIDENT OF CHILE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of sad but pressing importance. In view of the tragic death of President Allende of Chile I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House convey its condolences to the Allende family.

Mr. Speaker: I am not sure in what respect the motion proposed by the hon. member is different from that moved by the hon. member for York South. I have indicated previously that when a judgment of the House has already been rendered on a motion under Standing Order 43, the matter should not be put a second time. There may be a distinction between these two motions. I believe the first motion was directed to the people of that country rather than to the members of the family of the late president. I will simply ask whether there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

Mr. Nielsen: The government again.

* * *

[*Translation*]

SOCIAL SECURITY

POSSIBILITY OF LOWERING AGE OF ELIGIBILITY FOR OLD AGE PENSION TO 60—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I ask unanimous consent to introduce a motion concerning a very urgent matter, namely the lack of jobs and the high cost of living which affect particularly those from 60 to 65. I move, seconded by the hon. member for Abitibi (Mr. Laprise):

Labour Relations

That a special committee of the House be appointed forthwith to consider the great difficulties which beset those from 60 to 65 in getting in the labour market, and also the inadequacy of income to face the constant increase in the cost of living, and to consider the possibility of lowering from 65 to 60 the age of eligibility for old age security pensions in order to rectify the situation.

Mr. Speaker: The House heard the motion of the hon. member. Under Standing Order 43, that motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

● (1420)

[*English*]

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: If hon. members who are opposed to a motion proposed under Standing Order 43 and will not give unanimous consent would make it clear, it would be helpful to the Chair. It is somewhat embarrassing for the Chair to have to guess whether there are yeas or nays. In this instance I gather that some hon. members on the third call indicated there was opposition, and if there is I will not put the motion.

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LABOUR RELATIONS

CONTRACT NEGOTIATIONS IN ESSENTIAL INDUSTRIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, in view of the fact the Canadian public is unrepresented at the bargaining table when the employers and employees who operate our essential services negotiate a new contract in good or bad faith, as the case may be, and in view of the fact it is the Canadian public that suffers the inconvenience and hardship when a strike or lockout results and ultimately must pay the cost of a settlement, I ask leave of the House to move, under Standing Order 43, seconded by the hon. member for Calgary South (Mr. Bawden):

That this House is of the opinion that the government should consider the advisability of introducing legislation that would impose financial damages in equal measure upon corporations and trade unions operating essential industries under federal jurisdiction for every day that such corporations and trade unions fail to negotiate a new contract after the expiration of the previously existing contract.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Lethbridge. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

[*Translation*]

Mr. André Fortin: Mr. Speaker, I rise on a point of order with regard to the motion of the hon. member for Bellechasse (Mr. Lambert). You expressed the wish that those who refuse their consent do so clearly to facilitate your task: you are often caught between two fires when time comes to apply Standing Order 43. Mr. Speaker, we Creditists are still unsure about the fate of the motion of the hon. member of Bellechasse, since even you had doubts that there were nays. Exactly what is the situation; can the motion be put or not?

Mr. Speaker: The hon. member is the only one to be confused; as far as I am concerned, there was a no and the motion cannot be put.

* * *

[*English*]

FAMILY ALLOWANCES ACT

On the order: Introduction of Bills:

July 19, 1973—Mr. Stackhouse—Bill intituled: "An Act to amend the Family Allowances Act".

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, the bill I have presented, purporting as it does to authorize payment of family allowances to Canadian parents residing outside Canada but working for Canadian governments or Canadian companies, may not be in order, as you have suggested, in so far as its financial implications touch on the prerogatives of the Crown. Beauchesne says a private member's bill touching on these prerogatives requires the consent or recommendation of the Crown. To that end I have discussed the bill with the appropriate minister who thinks the purpose of the bill is included in the amendments proposed in his own family allowances bill. As a result, I have sent him a copy of my bill for study. If its objective is achieved by the government's bill proposing amendments to the Family Allowances Act, I readily agree that my bill should be withdrawn.

Mr. Speaker: The hon. member puts the Chair in a difficult position. He cannot withdraw a bill conditionally. I suggest this is a point of order. The hon. member has the procedural right to propose a bill, but he cannot say he will withdraw it if the minister agrees to certain conditions. I am not pressing the hon. member, but if this is the argument he proposes in support of the procedural acceptability of his bill I will study the matter more closely and make a ruling. The hon. member's approach is apparently that if certain conditions are met he will withdraw his bill. I suggest to him that this is not proper procedure. I will study the matter more closely and make a ruling tomorrow on the hon. member's bill.

[Mr. Speaker.]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

JUDICIAL APPOINTMENT

Question No. 2,366—**Mr. Cossitt:**

1. Has Mr. L. Stewart Willoughby of Kingston, Ontario received a judicial appointment from the government and, if so, what is the nature of this appointment and what considerations led to such an appointment?

2. If he has not received any appointment, is he about to receive it or is he being considered for it and, if so, what is the nature of it?

Hon. Otto E. Lang (Minister of Justice): 1. No.

2. Governments in the past have not commented on matters relating to specific judicial appointments except in respect to policy and procedure.

MULTICULTURALISM GRANTS

Question No. 2,439—**Mr. Mazankowski:**

1. How many multiculturalism grant applications (a) were received (b) were approved throughout Canada as of May 31, 1973?

2. By province, as of May 31, 1973 (a) what was the number of projects (i) received (ii) approved (b) what was the amount of funds granted?

Hon. Stanley Haidasz (Minister of State): 1. Between the announcement of the grants program in October 1971 and May 31, 1973, 857 grants applications were received, of which 401 were approved.

2. By province (not including grants for multicultural centres, ethnic histories, etc.)

	Received	Approved	Amount
British Columbia	75	42	$110,235.00
Alberta	136	58	143,733.50
Saskatchewan	36	19	32,800.00
Manitoba	43	17	70,615.00
Ontario	376	169	759,944.00
Quebec	163	80	346,065.00
Nova Scotia	23	13	31,735.00
New Brunswick	4	3	7,400.00
Prince Edward Island	—	—	—
Newfoundland	—	—	—

CANADIAN HORSES SHIPPED ABROAD

Question No. 2,575—**Mr. Rowland:**

1. Of the Canadian horses shipped abroad during the past five years, what percentage was shipped for breeding purposes?

2. In respect of horses shipped for breeding purposes during the past five years, for each year (a) what breeds were involved (b) what were the numbers of each breed shipped (c) in the case of each breed, how many were (i) stallions (ii) mares (d) for each breed, what was the age range of the horses shipped?

Hon. E. F. Whelan (Minister of Agriculture): 1. The Department does not require the exporter to indicate the purpose of export. However, all horses being shipped must be examined by veterinary officers, found to be healthy, fit for travel and in a condition for work or breeding.

2. Answered by No. 1.

GELDINGS SHIPPED ABROAD

Question No. 2,576—**Mr. Rowland:**

1. In the past five years, how many geldings have been shipped abroad?

2. What percentage of total shipment of horses do the geldings represent?

Hon. E. F. Whelan (Minister of Agriculture): 1. Specific information on the breed or sex of horses exported is not required for health inspection and is not recorded.

2. As per answer No. 1.

ELECTION EXPENSES

Question No. 2,661—**Mr. Olaussen:**

1. Which successful candidates in the 1972 general election had (a) the highest campaign expenses (b) the lowest campaign expenses?

2. What was the amount in each case?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Chief Electoral Officer as follows: 1. (a) Jim Gillies; (b) Gilles Caouette.

2. (a) $64,278.85; (b) $1,103.90.

———

Note: The answer to this question is based on the election expenses information contained in Sessional Paper No. 291-3/1 referred to in Votes and Proceedings of the House of Commons No. 49 of March 13, 1973.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

QUEBEC LAWYERS EMPLOYED BY DEPARTMENT OF JUSTICE

Question No. 2,191—**Mr. Fortin:**

1. What are the names of the lawyers and legal firms of the Province of Quebec who worked for the Department of Justice between January 1, 1969 and January 1, 1973?

2. What tasks were performed by each one?

3. What amount was paid to each (a) in fees (b) in travel expenses?

Return tabled.

QUEBEC LAWYERS EMPLOYED BY DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

Question No. 2,192—**Mr. Fortin:**

1. What are the names of the lawyers and legal firms of the Province of Quebec who worked for the Department of Consumer and Corporate Affairs between January 1, 1969 and January 1, 1973?

2. What tasks were performed by each one?

3. What amount was paid to each (a) in fees (b) in travel expenses?

Return tabled.

*REHABILITATION OF HARD DRUG ADDICTS

Question No. 2,234—**Mr. McKinnon:**

1. What amounts of money were spent in each province by the government in each of the past five years to rehabilitate hard drug addicts?

2. What are the Department of National Health and Welfare estimates or statistics of the number of hard drug addicts in each province for each of the past five years?

Return tabled.

Mr. Cossitt: Mr. Speaker, I rise on a point of order and again draw the attention of the parliamentary secretary to questions on the order paper Nos. 2271 to 2280 inclusive requesting a list of lawyers used by the government for legal business. I have been seeking this information for about five months. I believe this is the fifth time I have risen on a point of order asking when the information will be forthcoming. On Monday last the parliamentary secretary made no response to my inquiry in this regard and I now wonder, in view of the fact that further days have passed, whether it is not too much to expect him now to advise the House when this information long ago requested will be given.

Mr. Reid: Mr. Speaker, I have had discussions with the officials of the Department of Justice. I have not yet been able to get a firm date when the material will be available.

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 237 is acceptable to the government.

[*Translation*]

Mr. Speaker: Does it please the House that notice of motion No. 237 be deemed to be agreed to?

Some hon. Members: Agreed.

Mr. Speaker: Do the other notices of motion stand?

Some hon. Members: Agreed.

[*English*]

COPY OF DOCUMENTS RELATING TO CIVIL AVIATION DISCUSSIONS OF PICKERING AND MIRABEL AIRPORT PROJECTS

Motion No. 237—**Mr. Ellis:**

That an Order of the House do issue for copies of documents used June 16 and June 21 in the discussion of the Civil Aviation

Section, Canadian Soviet Transportation Working Group, at the Pickering Airport Project and at the Mirabel Airport Project.

Motion agreed to.

ORAL QUESTION PERIOD

[*English*]

FINANCE

SMALL BUSINESS LOANS UNDER $200,000—NUMBER AND RATE OF INTEREST

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance arising out of the growing complaints of small businessmen about the cost of credit to them these days. I should like to ask the Minister of Finance whether the two-tier system for small business loans is still in effect, as I assume it is, and, if so, whether the minister can tell the House what is the rate of interest charged on loans? I believe the figure of $200,000 is the dividing line between the lower tier and the upper tier. Can the minister tell us what the interest is in the lower tier?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman is perfectly correct in saying that the two-tier system is in effect. The rate of interest charged varies from bank to bank. I can give him the complete information tomorrow or send it to him personally.

Mr. Stanfield: Some time ago the minister indicated that a monitoring system was being established to enable the minister to assure himself from time to time that this policy was being followed in a satisfactory way. I should like to ask the minister whether in fact such a monitoring system has been established and whether in fact the minister knows, or has means available to him of knowing on a regular basis, the volume of loans made by banks in amounts under $200,000 and the rates of interest charged?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I put that problem to the Governor of the Bank of Canada and suggested to him that we ought to have those figures prior to the Western Economic Opportunities Conference. As the hon. gentleman knows, the Canadian Banking Association has published figures of a breadth and depth not hitherto published. It is my understanding and expectation that we will have henceforth a far wider range of figures. As for the specific request concerning the breakdown of loans below $200,000 and above that figure, I will check again to see what we can produce.

● (1430)

Mr. Stanfield: Is it fair for me to assume, as I do from the minister's answer, that the minister has not in fact established through his own office the monitoring system he indicated he would establish to follow the extent to which this policy was being carried out?

Mr. Turner (Ottawa-Carleton): I do not think that is quite a fair assumption. The publication of figures by the banking system is becoming far wider than it was. I expect that full publication to continue. As to the monitoring system, I asked the Governor of the Bank of Canada to conduct it rather than the Department of Finance.

[Mr. Ellis.]

Mr. Speaker: Order, please. The Leader of the Opposition will be recognized on a supplementary question, after which the Chair will recognize the hon. member for Nanaimo-Cowichan-The Islands. We will return, if necessary, to this question on which many supplementaries are sought.

Mr. Stanfield: Mr. Speaker, the minister has indicated he will provide certain information for me tomorrow. Will he provide the volume of loans by the banking system in the recent period of time in amounts under $200,000 and the rates of interest charged?

Mr. Turner (Ottawa-Carleton): I will give the hon. gentleman all the figures that I have.

* * *

ENERGY

OIL—RESPONSE OF COMPANIES TO GOVERNMENT'S REQUEST FOR PRICE FREEZE—PUBLIC PARTICIPATION IN EXPORT QUOTA HEARINGS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Can the minister tell the House whether he has now received word from all of the major oil companies indicating their willingness to comply with the government's request for a freeze on Canadian crude oil until January 30? Have all the companies now agreed?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, I think I am correct in saying that certainly all the major ones have, subject, of course, to the qualification that they were not in a position to exercise control over non-owned distributors and subject to certain clarification as to the application of the request which we hope to cover by means of guidelines. But in general terms the answer is yes.

Mr. Douglas: May I ask the minister at what price per barrel at the wellhead is the freeze taking place and when he intends to introduce legislation to carry out the commitment he made last week to divorce the price of crude oil in Canada from the world price?

Mr. Macdonald (Rosedale): The price would be as of the date of the announcement which, as I recall, was September 4, 1973, and my hope would be to introduce legislation within the month of October because of the importance of early action.

Mr. Douglas: May I ask a final supplementary regarding the minister's announcement some time ago that the National Energy Board would hold hearings concerning quotas for export control of oil. Will they be public hearings so that consumers and other interested persons may have some input into these discussions before the quotas are set?

Mr. Macdonald (Rosedale): Yes, Sir, they will be public hearings. I should indicate that it will still be entirely relevant to determine the appropriate level of reserves and therefore the surplus available for export notwithstanding the decision with regard to a multi-price system. There may be a request from some of the parties involved for perhaps a month's delay to prepare for hearings, but they will be public.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

SUGGESTED ABOLITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Prime Minister and before doing so, I am raising a question of privilege.

Yesterday and the day before I was invited by the CBC interviewers to go to room 130S. On the English network, I was questioned about the famous motion introduced by the Progressive Conservative party Monday last. On the French network last night, I was questioned about the present unemployment rate in Canada. Those two issues were truly national. Now neither of those interviews were broadcast by the CBC, while last evening, René Levesque, who has nothing to do at the national level, was shown in colour stating his family allowance scheme for Quebec if one day he became the government leader.

Now, I will put my question to the Prime Minister. When he told me a couple of years ago that he would eventually put the key on the joint, the CBC, is he now prepared to finally do so on this separatist, socialist joint, the CBC?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member is no doubt aware of the fact that I share the use of this key with all parliamentarians. He knows also that a committee of this House has had the opportunity of reviewing this matter. I was not myself present at these committee meetings, but I thought I had detected the impression, at least among many members, that if all was not perfect on the French side, things were going a lot better than during the bad years of 1968 and 1969 and that it was rather on the English network that the New Left was heard all too often on the air.

I ask the hon. member: Was it on the English or the French network that they did not refer to his statements?

Mr. Speaker: The hon. member might perhaps put a supplementary question if he wishes.

Mr. Caouette (Témiscamingue): Yes, Mr. Speaker.

Mr. Speaker: I apologize to the hon. member for Témiscamingue. The hon. member for Ottawa West on a point of order.

[*English*]

Mr. Reilly: Mr. Speaker, I rise on a point of order. Discussion of this kind with respect to an independent Crown corporation such as the CBC is most inappropriate—

Some hon. Members: Oh, oh!

Mr. Reilly: —coming from that government or any other government. Talking about locking doors, as a former employee of the CBC I can tell you it will not work even if they had the guts to try it, which they do not.

Mr. Speaker: Order, please. We do not appear to be making very much progress.

[*Translation*]

The hon. member might ask his supplementary question, after which we will try to come back to the first subject matter and to the supplementaries that hon. members wish to ask.

Mr. Caouette (Témiscamingue): Mr. Speaker, although the hon. member for Ottawa West says that it is a Crown corporation, it is nevertheless subjected to the laws of parliament.

I would ask the Prime Minister, in view of the fact that my statement made a moment ago prompted applause from every corner of the House, does he think he has actually the right key to put on the door of this separatist and socialistic joint, the CBC?

[*English*]

Mr. Speaker: Is the Leader of the Opposition rising on a supplementary question?

[*Translation*]

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would suggest to the hon. member that perhaps the answer he gave last night was not comprehensive enough.

* * *

[*English*]

FINANCE

REASONS FOR INCREASE IN BANK INTEREST RATES ON FISHERIES IMPROVEMENT LOANS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a supplementay question to the question of the Leader of the Opposition to the Minister of Finance. When the minister is getting information for the Leader of the Opposition on small business loans, would he also investigate the reasons why the banks, which made loans under the Fisheries Improvement Loans Act between 1971 and 1973 at an interest rate as low as 6¼ per cent, are now charging fishermen as much as 8 per cent?

Hon. John N. Turner (Minister of Finance): Without accepting those allegations, may I say that the hon. gentleman is certainly entitled to some clarification.

INQUIRY AS TO LEGISLATION RESPECTING SMALL BUSINESS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary question is for the Minister of Finance. Can he indicate to the House when we can expect the legislation to deal with small business announced and promised last July, I believe, by the Minister of Industry, Trade and Commerce?

● (1440)

Hon. John N. Turner (Minister of Finance): As soon as he gets back from Tokyo he will be tackling this particular measure.

Mr. Speaker: The Chair will recognize the hon. member for St. John's East for one last supplementary on this series of questions, and then the hon. member for Calgary North who has a supplementary on a previous subject.

TIGHT MONEY POLICY—PRIOR CONSULTATION ON EFFECT ON REGIONAL ECONOMIC EXPANSION PROGRAMS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I direct my question to the Minister of Regional Economic Expansion. In view of the fact that high interest rates and the tight money policy now being pursued by the government are counterproductive to the government's DREE policy, may I ask the minister if there was any consultation between himself, the Minister of Finance and the Governor of the Bank of Canada before the latter embarked on this tight money policy?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, there are constant consultations between myself and the Minister of Finance with regard to various measures to assist the areas of slow growth in this country.

* * *

REGIONAL ECONOMIC EXPANSION

NOVA SCOTIA—NEW INITIATIVES IN LIGHT OF RESIGNATION OF PROVINCIAL MINISTER OF DEVELOPMENT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion. In view of continuing frustrations with regional development, best exemplified by the resignation of Mr. Fiske, Minister of Development for the province of Nova Scotia, who gave as one of the reasons for his resignation the performance of DREE, has the minister any new initiatives to announce such as calling on the Atlantic Development Council to deal with these continuing problems?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I, of course, cannot accept the premise of the question. The reasons why provincial ministers resign are completely outside my purview. But on the latter part of the question may I say this is certainly a possibility. As I believe the hon. member knows, I have made an appointment with the new chairman of the Atlantic Development Council and have asked him what he considers to be the best forum or best area for discussion. I should add that within the next few weeks, some time during this month, I will be meeting with the Council of Maritime Premiers on the same subject.

[Mr. Nystrom.]

OPERATING POSITION OF METROPOLITAN AREA GROWTH INVESTMENT LIMITED

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to ask the minister whether Metropolitan Area Growth Investment Limited, the joint federal-provincial Crown corporation formed some months ago, is now fully operative with all executive officers in place and with ongoing functions? If so, when can we expect a progress report?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, there is an interim board of directors at the moment. We have made a recommendation to the government of Nova Scotia with regard to a chief executive officer. It is now a matter for the government of Nova Scotia to indicate whether it is prepared to accept our nominee, because it must be done on the basis of federal-provincial agreement.

* * *

ENERGY

POSSIBLE VETO BY QUEBEC OF PROPOSED EXTENSION OF OIL PIPELINE TO MONTREAL—EFFECT ON CEILING ON CRUDE PETROLEUM PRICE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources with respect to the policy enunciated by the minister for the hon. member for Nanaimo-Cowichan and the Islands. If the pipeline to be built to Montreal is not going to be built because of a veto by one province, will the policy as to the ceiling on the price of crude petroleum remain the same irrespective of whether that project goes ahead?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman is not correct in his assumption. We indicated we would be having discussions with the provinces, and in the next several days I will be having discussions with the two provinces in question. The decision does remain in principle in favour of a Montreal connection. Therefore the second part of the question does not follow.

Mr. Woolliams: Would the minister make this very clear when he meets with the provincial ministers of Alberta and indeed of Quebec, neither of which provinces he consulted prior to the statement made on Tuesday of last week; because according to the national media Quebec did veto the project?

Mr. Macdonald (Rosedale): I am sorry, Mr. Speaker, I did not hear the hon. member. Make what clear?

Mr. Speaker: The hon. member for Regina-Lake Centre.

AIR TRANSPORT

REASON FOR RATIO OF NEW ROUTES AS ALLOCATED BETWEEN CANADA AND UNITED STATES

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I wish to direct a question to the Minister of Transport in light of his statement issued to the press yesterday concerning the agreement between Canada and the United States on new air routes. Can he advise the House what is the rationale or reason for the ratio of two routes for Canada for every three routes for the United States?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I do not think we can make this kind of assessment because we have to take into account the length of the routes and the important centres of population, and just to take the number of routes would give an entirely false impression.

DIVISION OF NEW ROUTES TO UNITED STATES BETWEEN AIR CANADA AND PRIVATE AIRLINES

Mr. Les Benjamin (Regina-Lake Centre): In view of the fact Air Canada is a publicly owned carrier, can the Minister of Transport assure the House that the major share of these new routes will be granted to Air Canada rather than to Canadian Pacific Airlines and other privately owned carriers?

Mr. Speaker: The hon. member for Vegreville.

DOMESTIC AND GLOBAL POLICIES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct a supplementary question to the Minister of Transport. In view of the impact the announcement the minister made regarding new United States-Canada air routes will have, hopefully, on the airline industry in Canada, can he advise the House whether the government will be announcing a new domestic air policy for Canada? Also, can he advise the House when we may expect the long-awaited announcement on the global air policy which he has referred to in the House on many occasions?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I am very anxious to make this announcement and I hope to do so before too long.

Mr. Benjamin: Inside the House?

Mr. Marchand (Langelier): Yes, I can do it in the House if the House is ready to accept it.

Mr. Mazankowski: On a point of order—

Mr. Speaker: Order, please. The hon. member rises on a point of order. I appeal to hon. members for co-operation with the Chair in order to permit as many questioners as possible by raising as few points of order and questions of privilege as possible.

Mr. Mazankowski: My point of order is for the purpose of clarification. I wonder whether the minister can advise the House whether the government is considering formulation of a new domestic air policy to cover the allocation

of air routes for Canadian Pacific Airlines and Air Canada?

Mr. Speaker: Order. The hon. member will appreciate that is hardly a point of order. He has asked a supplementary question. Perhaps it would be simpler if the Chair allowed the minister to reply, after which I will recognize the hon. member for Crowfoot. Again I suggest to hon. members that it is not in order to ask questions under the guise of points of order. However, the question having been asked, the minister might be given an opportunity to reply.

Mr. Marchand (Langelier): Mr. Speaker, there is an existing policy concerning domestic civil aviation in Canada. It is known. I do not think it is our intention to change it. So far as the allocation of routes to the airlines is concerned, this will be known as soon as the agreement is ratified by both governments.

PROPOSED INCREASE IN LANDING FEES FOR SMALL AIRCRAFT—REVIEW OF DECISION

Mr. J. H. Horner (Crowfoot): Mr. Speaker, my supplementary question is directed to the Minister of Transport. It has to do with landing fees and landing rights within Canada for small aircraft. I understand the department is going to increase landing fees for small airplanes within Canada on October 1. Has the department reviewed that decision and is it now going to change it and lower landing fees for small aircraft?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I have already answered this question in the House, and my reply now will be about the same. We have received many representations on these fees. We are reviewing the whole matter now, and before October 1 we will establish a policy.

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[*Translation*]

SOCIAL SECURITY

ASSISTANCE TO PERSONS BETWEEN 60 AND 65 UNABLE TO FIND EMPLOYMENT—POSITION OF MINISTER

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to ask a question to the Minister of National Health and Welfare.

Considering that thousands of citizens between the age of 60 and 65 have great difficulty in finding employment, does the minister intend to submit a special bill to help these people?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this subject is examined in the working paper which was tabled in the House on April 18 of this year. It is now being discussed with the provinces.

[*English*]

Mr. Speaker: The Chair will recognize the hon. member for Regina-Lake Centre who has a supplementary to his previous question, after which I will recognize the hon. member for York-Sunbury.

Oral Questions

AIR TRANSPORT

REASON FOR NO ROUTE FOR CANADIAN CARRIER BETWEEN OTTAWA AND WASHINGTON IN AGREEMENT WITH UNITED STATES

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a further supplementary to the Minister of Transport, and at the same time may I ask him to take the opportunity to reply to my second question. In view of the fact that the United States has a route from its national capital, Washington, to Montreal and Ottawa, would he advise why no route was obtained for Canada from Ottawa to Washington? Why has this not happened? Did Canada ask for such a route?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, there is a route now to Washington with a stopover in Syracuse, but I think the point is very well taken. The proposed agreement will have to be ratified by both governments, and this is surely something we can look into. We have a commitment from the United States government that before the end of the year it will be ready to consider points that will be submitted to it in the spirit of the hon. member's suggestion.

* * *

HIGHWAYS

PROPOSED ROAD FROM MAINE THROUGH NEW BRUNSWICK TO QUEBEC—INVESTIGATION OF FEASIBILITY

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. In view of the strong support recently expressed by the Governor of the State of Maine for a direct corridor road from Maine through New Brunswick to Quebec, will the Prime Minister investigate the feasibility of such a project for the economic betterment of eastern Canada?

● (1450)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, naturally I want to be helpful to the Governor of Maine and to the hon. member if he is making a policy proposal. My understanding is that the people of the Maritimes are quite divided on this subject and that, depending on where you live in the Maritimes, you are either for or against that corridor road. However, I am certainly open to further persuasion, and if there is a unanimous resolution of the Conservative party, for instance, supporting this corridor road it would naturally influence me to try to do something pleasing to them.

[*Translation*]

PROPOSED ROAD FROM MAINE THROUGH NEW BRUNSWICK TO QUEBEC—SUGGESTED COMPLETION OF HIGHWAY NETWORK IN MARITIMES

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, about this same question, considering that there still are hundreds of miles of incomplete highway in each of the Maritime provinces, can the Prime Minister give us the assurance that he will first deal with this problem before investing with the State of Maine in the construction of a so-called corridor highway?

Right Hon. P. E. Trudeau (Prime Minister): Of course, Mr. Speaker, while I wish to please the Progressive Conservative party, I want even more to please the Liberals. I therefore strongly retain the idea of the hon. member.

* * *

[*English*]

AIR CANADA

USE OF JP4 GASOLINE—SUGGESTED USE OF KEROSENE

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Transport. Has the minister yet undertaken a review of the use by Air Canada of JP4 gasoline which is less safe than the fuel used by most commercial airlines and by Department of Transport aircraft that transport federal cabinet ministers? If so, what is the position of the government at this time?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, a few weeks ago I flew on a DOT Jetstar and it used JP4.

Mr. McKenzie: Since, after the explosion of an Air Canada DC8 on June 21, some 3,150 gallons of kerosene were still safe in the tanks, is the government going to consider ordering Air Canada to use kerosene which, while more expensive, is far less dangerous than JP4?

Mr. Marchand (Langelier): Mr. Speaker, I regret that all the technical advice I have is to the effect that your statement is not right.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I am sure the minister was not addressing the Chair at that moment.

* * *

SCIENCE AND TECHNOLOGY

SENATE COMMITTEE RECOMMENDATION THAT DEPARTMENT BE RESPONSIBLE FOR RESEARCH AND DEVELOPMENT EXPENDITURES

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of State for Science and Technology. In view of the recommendation of the Senate special committee on science policy that the science ministry be responsible for the over $1 billion spent each year by government departments on research and development, will the minister be recommending to cabinet that her department be made an operational ministry and fulfil this and other responsibilities?

[*Translation*]

Hon. Jeanne Sauvé (Minister of State for Science and Technology): Mr. Speaker, if I can rely on the quick glance cast at this report, I do not think that Senator Lamontagne recommended that the Ministry of State for

Science and Technology be made directly responsible for the whole billion dollar budget reserved for scientific research activities.

[*English*]

Mr. Andre: Mr. Speaker, my supplementary question is also directed to the Minister of State for Science and Technology. In view of the conclusion of this report that "after years of analysis the time has now come for decision and action," when will the minister be reporting to the House about changes she will make in the operation and organization of her department to conform with some of these recommendations?

[*Translation*]

Mrs. Sauvé: Mr. Speaker, some of Senator Lamontagne's recommendations already appear in the projects of the ministry. I shall eventually announce some measures concerning the ministry, and I look over each and every recommendation in the Lamontagne report, to my greatest englightenment and that of my officials.

* * *

[*English*]

INDIAN AFFAIRS

GOVERNMENT POSITION ON PREVENTING EVICTION OF NON-STATUS WOMEN FROM RESERVES FOLLOWING SUPREME COURT DECISION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Prime Minister of which I gave him notice so that we might have a considered reply. How will the government respond to the telegram from the National Advisory Council on the Status of Women asking for government intervention to prevent or stay evictions of non-status women from the reserves, which came about as a result of the recent and, I may say, lamented Supreme Court decision?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know the hon. member would only want me to paraphrase my answer, as it would certainly be a matter of courtesy to answer them before giving an answer to the hon. gentleman. As I understand it, part of their concern deals with the abolition of the Indian Act or certain parts of the Indian Act. I point out to the House of Commons that the Minister of Indian Affairs and Northern Development more than four years ago indicated to the House that we were prepared to do away with the act in its entirety but that we would not want to do it without a great deal of consultation from the native people themselves, because there was obviously a lack of unanimity among them as to the content and timing of such changes. I think the hon. member knows that the Indian people were not 100 per cent in support of the cause that he seems to be promoting.

Mr. Fairweather: Mr. Speaker, perhaps I would have done better without notice, with great respect. I was asking about a stay of the eviction of people. As the right hon. gentleman may remember from when he taught law, the eviction process is to get people out of places where they are not supposed to be. That is really what I want to know. Will there be a stay of eviction proceedings? Will the government intervene? The Indian Act can be dealt with in the next few years.

Mr. Trudeau: No, Mr. Speaker.

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THE CANADIAN ECONOMY

PROPOSED TAKEOVER OF ACKLANDS LIMITED BY UNITED STATES COMPANY—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Manpower and Immigration who is filling in for the Minister of Industry, Trade and Commerce. It arises out of the commitment he made to the House yesterday to look into the takeover bid for Acklands Limited. In view of the concern expressed by the government of Manitoba, is the minister in a position now to answer that question?

Hon. Robert K. Andras (Acting Minister of Industry, Trade and Commerce): Mr. Speaker, the legal representatives of Genuine Parts Company of Atlanta have been in touch with us and have written today to the Minister of Industry, Trade and Commerce outlining the details of the proposed acquisition bid. They have advised us that in the event the acquisition is consummated, Genuine Parts Company has no plan to phase out Acklands' operations or to alter Acklands method of operation. Nor will the company increase Acklands' purchases from United States suppliers. Although Bill C-132 is not yet law, I am informed that the executives of that company are prepared to and have offered to meet the Minister of Industry, Trade and Commerce, and that meeting is now being arranged.

GOVERNMENT INTENTION RESPECTING PROCEEDING WITH FOREIGN INVESTMENT REVIEW BILL

Hon. Robert K. Andras (Acting Minister of Industry, Trade and Commerce): Mr. Speaker, perhaps I might be allowed to answer a related question asked by the hon. member for Peace River about Bill C-132. I am informed that the bill continues to have very high priority and will be brought forward shortly.

PROPOSED TAKEOVER OF ACKLANDS LIMITED BY UNITED STATES COMPANY—REPRESENTATIONS BY MANITOBA

Hon. Robert K. Andras (Minister of Manpower and Immigration): Finally, Mr. Speaker, may I deal with another question having to do with the proposed acquisition of Acklands. We have not had, according to my information, representations from the government of Manitoba on this issue.

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. As it is my understanding that the Minister of Industry in Manitoba has sent a telegram to the minister concerning this subject in which he expressed concern about the possibility of joint federal-provincial action to prevent this takeover, in the event this is confirmed, as it will be, I am sure, by the minister

later this day, will the minister assure the House that the federal government will respond to this provincial initiative and take action that will put off completion of the takeover bid until consultation has taken place between the federal government and the government of Manitoba?

Mr. Speaker: Order, please. It seems to me that the question asked by the hon. member is at least partly hypothetical and can be considered as a representation. Perhaps we might be allowed to go to the next question.

Mr. Broadbent: On a point of order, Mr. Speaker, as this takeover bid affects in a serious way a couple of thousand employees and as another government in Canada, the government of Manitoba, is concerned about the takeover, I wonder, notwithstanding the improper phrasing of the question, if the minister, who got the sense of the question, could be permitted to answer?

Mr. Andras: Mr. Speaker, again I confirm that a few minutes before the question period my information was that we had not received such representations from the government of Manitoba, but I most certainly will recheck that and in the event that is the case we will certainly respond. I could not make an unequivocal commitment to stop this acquisition because Bill C-132 is not yet law. I am encouraged however, as I think the hon. member might be, to note that the principals are voluntarily submitting their detailed proposals to the Minister of Industry, Trade and Commerce and are prepared to consult and, I hope, to be influenced by the response.

* * *

● (1500)

[*Translation*]

INDIAN AFFAIRS

CAUGHNAWAGA RESERVE—DIFFICULTIES BETWEEN NATIVES AND WHITE PEOPLE

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the hon. Minister of Indian Affairs and Northern Development.

Could he advise the House of the steps he will take concerning the serious problems which the Mohawk Indians and the white people are facing in Caughnawaga?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, this morning, I met Chief Kirby of the Caughnawaga Reserve. Under the Indian Act, the Indian people on this reserve, like those on any other reserve for that matter, have the right to pass bylaws concerning non-Indians living on the reserve. This is exactly what the council intends to do. They intend to pass this bylaw which will become effective within 40 days. If people believe it is not fair they could appeal to courts. It is impossible for me under the circumstances to act like a judge in this matter.

Mr. Matte: Has the minister received complaints from young Indians who, with the support of older ones, would disapprove entirely of the band council which they would consider a creature of the federal government?

[Mr. Broadbent.]

Mr. Chrétien: Mr. Speaker, it is the elected council of Caughnawaga which is recognized by the federal government under the Indian Act. The hereditary chiefs do not enjoy such status under the law. Some provisions of the act would enable them to exercise efficient control were they in majority within the Caughnawaga band, but apparently this is not so at the present time.

* * *

[*English*]

GRAIN

WHEAT—DELIVERIES NOT YET MADE UNDER CONTRACTS WITH U.S.S.R. AND CHINA

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the minister in charge of the Wheat Board. Have all deliveries been made under the long-term, low-price wheat contracts with the U.S.S.R. and China and, if not, how much grain remains to be delivered?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, all the grain has long ago been delivered on the contracts which were entered into during the low-price periods, but there are still some deliveries being made on the contracts entered into after prices rose to a significant degree.

* * *

FISHERIES

REASON FOR EMBARGO ON EXPORT OF FISHMEAL

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, my question is directed to the Minister of the Environment and Fisheries. It relates to the production of fishmeal. In view of the fact that during the past couple of years Canada has produced several times the amount of fishmeal consumed domestically, will the minister advise as to the motivation of the government in placing a virtual embargo on exports of that product?

Mr. Speaker: Order, please. The minister may reply briefly to the question and he will be given the floor for that purpose, but normally that kind of information is given to the House by way of a statement on motions.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, it was to ensure that Canadian resources are used to produce jobs in Canada rather than in other countries.

* * *

REGIONAL ECONOMIC EXPANSION

CANCELLATION OF SUBSIDY ON BUILDING OF SMALL SHIPS—EFFECT ON EMPLOYMENT IN COASTAL PROVINCES

Mr. David MacDonald (Egmont): Mr. Speaker, I wish to direct my question to the Minister of Regional Economic Expansion. It relates to the announcement last month by the Minister of the Environment with regard to the cancellation of the shipbuilding subsidy on ships of up to 75 feet in length. The minister stated this would not have

any serious effect on regional development. Has any word been received from the premiers of the Atlantic provinces as to the impact of this program and loss of employment this fall? In particular, has the minister any plans to announce with regard to the very serious unemployment problem which is, presumably, resulting in the Atlantic and the Pacific regions?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I will try to be brief. This is a rather complex question. I have not heard from the premiers concerned but I have heard from a number of ministers in the provinces. I will have to check the record to see just which ones they were. At present my department is consulting with the Department of the Environment. Early assessment indicates we can provide some additional funds during the 90-day study period so that orders in the shipyards will not go down during that time. I know we are quite well advanced in negotiations with Newfoundland; I will have to check to see where they stand with regard to the other Atlantic provinces. I believe suitable arrangements can be worked out jointly between DREE and the Department of the Environment.

* * *

AGRICULTURE

REQUEST THAT PRESENT INTEREST RATE ON FARM CREDIT LOANS BE MAINTAINED

Mr. William C. Frank (Middlesex): Mr. Speaker, my question is addressed to the Minister of Agriculture. Because of the fact that all members of the House are interested in encouraging farmers to stay in production and as a particular means of encouragement to young farmers, can the minister assure the House that the 7 per cent interest rate on farm credit loans will be maintained as at least one way for farmers to hold down the cost of production?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are reviewing the whole subject of interest on farm credit loans. We have maintained a 7 per cent interest rate on farm credit loans while other interest rates have increased. This shows our concern for farmers, particularly young farmers. Our concern will continue to be in that form.

* * *

CANADIAN BROADCASTING CORPORATION

REQUEST FOR INFORMATION ON CHANGES IN FRENCH NETWORK

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, I have a supplementary question for the Prime Minister. In answer to the hon. member for Témiscamingue the Prime Minister referred to changes that had occurred in the French language network of the CBC. Will the Prime Minister table in the House a list of the changes the government has ordered or otherwise caused to be taken within the CBC French language network in the period referred to in the previous exchange?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there may have been a misunderstanding, perhaps because of the translation. I did not indicate that the government had suggested or demanded any changes. I indicated that my impression from various people who talked about the kind of complaint the hon. member for Témiscamingue raised was that although the CBC, French side, is by no means perfect it is no longer as strong a vehicle of separatism as it was four or five years ago.

Mr. Clark (Rocky Mountain): Will the Prime Minister ascertain whether in fact any changes were brought about by the activity, indirectly or otherwise, of the government and, if so, will he table a report in the House specifying those changes?

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EXTERNAL AFFAIRS

CHILE—DEATH OF PRESIDENT—SUGGESTED EXPRESSION OF REGRET OF HOUSE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, will the Secretary of State for External Affairs convey the regret felt by the overwhelming majority of members of the House because of the tragic death of the democratically elected President of Chile, and its fervent hope for the early return of democratic government in Chile?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in expressing those words I am sure the hon. member has expressed the view of members of this House. As Secretary of State for External Affairs I will be extending sympathy to the people of Chile on the death of their president and, of course, my condolences to the family. All of us, I am sure, express the hope that democratic institutions will be restored to Chile without delay.

Some hon. Members: Hear, hear!

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OFFICIAL LANGUAGES

REQUEST THAT MANUAL OF ADMINISTRATIVE SYSTEM BE MADE AVAILABLE TO MEMBERS OF PARLIAMENT

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I wish to direct a question to the President of the Treasury Board. Treasury Board has now made available a two-volume manual, four inches thick, entitled "The Manual of the Official Languages Administrative System", which is available to all departments in the public service. This manual sets out how the federal government's bilingual resolution is to be implemented. Will Treasury Board kindly make available to members of the House copies of this manual so that members can see how Treasury Board is interpreting this resolution?

Hon. C. M. Drury (President of the Treasury Board): I will be glad to, Mr. Speaker.

Oral Questions

IMMIGRATION

SUCCESS OF PROGRAM FOR REGISTRATION OF ILLEGAL IMMIGRANTS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Minister of Manpower and Immigration with regard to the "last chance" policy of the government. Is the minister satisfied with the rate of registration by illegal immigrants?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the response so far has been positive. There were 700 persons who registered yesterday. This brings the total to 27,756 persons who are taking advantage of the act. I might say that 6,549 of these registrants have already had an assessment interview, of which 6,490, or 99.1 per cent, have conformed with the regulations and can be landed. The remaining 0.9 per cent are subject to further review. I would, as the hon. member would, encourage all those who have not yet come forward to take advantage of this program. However, I think the pace is quickening and I hope that all those entitled will come forward to be registered and landed.

Mr. Alexander: Is the minister aware of the fact it is reported immigration officials have indicated that many illegal immigrants, because of fear and distrust are not coming forward as rapidly as all of us would like to see? If the minister is aware of this, has he taken any steps to alleviate this situation and reduce the fear which I believe does exist?

• (1510)

Mr. Andras: I join the hon. member in recognizing that we have felt this possibility of fear and mistrust existing from the beginning. To overcome this, however, we have carried on a very active information and publicity campaign, and special attention has been paid to many of the pockets where more precise indications of concern have been expressed. As a result, we have seen an increase in trust, an increase in the numbers coming forward. I hope the hon. member and all other hon. members will join me in underlining the sincerity and integrity of this program and in seeking to remove distrust wherever it exists in order that the program will meet with success in the final analysis.

Some hon. Members: Hear, hear!

Mr. Speaker: Orders of the day. Is the Minister of Justice rising on a point of order?

Mr. Lang: Yes, Mr. Speaker. There have been the usual discussions and I believe there is general agreement to call the report stage and third reading of Bill C-220 which was reported out of the Standing Committee on Health, Welfare and Social Affairs yesterday without amendment. There is an understanding that it will be dealt with fairly quickly in the House at this time.

Mr. Speaker: Is it agreed?

Mr. Bell: We agree.

[Mr. Drury.]

GOVERNMENT ORDERS

[*English*]

STATUTE LAW (SUPPLEMENTARY RETIREMENT BENEFITS) AMENDMENT ACT, 1973

PROVISION FOR REMOVAL OF TWO PER CENT LIMIT ON ESCALATION, REDUCTION OF ELIGIBLE AGE

Hon. C. M. Drury (President of the Treasury Board) moved that Bill C-220, to amend the statute law providing for the payment of supplementary retirement benefits to certain persons in receipt of pensions payable out of the consolidated revenue fund, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the said bill be read the third time? By leave, now?

Some hon. Members: Now.

Mr. Drury moved that the bill be read the third time and do pass.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in rising to speak briefly on third reading of this bill I wish to say at the outset to the acting government House leader that it is my intention to be the only spokesman for my party at this final stage, and to expedite the passage of the measure.

The bill is a very important one for the public servants of Canada who sometimes, unfortunately, are maligned, criticized and ridiculed in a way they ought not to be. I think we ought to remember, especially in the national capital, that if there is a proliferation of public servants in terms of numbers it is because the country is prepared, at this point at least, to accept a proliferation of government programs.

In the speech which I made on second reading I expressed regret—and this regret still stands—that the government had to be dragged kicking and screaming to the point at which it would at least acknowledge the pleas which have been made for many years by public servants, their staff associations, their families and others, that the concept of linking pensions with the cost of living index be recognized. It has now been so recognized and I think this is an important landmark for public servants and those who have served their country in other capacities in the public realm.

We do not want to say, however, that we have come to the end of the road with respect to public service matters and matters dealing with the armed forces generally. We still have ahead of us the whole concept of collective bargaining in the public service and the position of those members of the armed forces who decide to serve their country in the public service after their term of duty in the armed forces is completed. We still have before us the whole question of the age at which public servants ought to retire—whether that age ought not to be lowered. It still remains for us to consider the position of widows in the context of public servants' pensions and superannuation plans.

Then there is the question raised by the hon. member for Winnipeg North Centre (Mr. Knowles), the important question of which index is to apply. We must consider whether it is simply to be the cost of living index or whether we should move on to other indices or aspects of the cost of living index which would bring greater justice to public servants. We have to consider afresh the whole subject of working conditions. We must consider, as we go ahead, the wisdom or otherwise of the manner in which the superannuation account is administered, as acknowledged by the President of the Treasury Board (Mr. Drury) yesterday. I believe there is a certain amount of discontent, a feeling that there is great room for improvement in the administration of this account. This will be the challenge before parliament in the years to come.

The government has met in part, the challenge which faces it now, but I suggest it did so with some reluctance and only after a tremendous amount of urging by those of us who have been interested in public service matters over the years. The Liberal member for Ottawa Centre (Mr. Poulin) stated in the course of his remarks that we would all support this overdue increase. There is no question that it is overdue. There is no question that every member of the House wholeheartedly supports this bill on third reading.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when this bill was being considered in committee yesterday afternoon I suggested that any further debate would really be a case of wrapping it in fancy paper and tying it with a bow ribbon. The fact of the matter is that it is a good piece of legislation. We welcome it, and are glad it is being passed by this parliament.

Some of us have been concerned about this matter for many years, in fact, for decades. I well recall the historic step which was taken at the end of 1969 and early in 1970 when provision was first made for the pensions of retired public servants and other government employees to be escalated after retirement. That was, as I say, a historic step, but there were two or three major deficiencies in the bill which was passed in 1970. What we are doing now is to correct those deficiencies.

The corrections are mainly two. We are providing that the pensions of retired public servants and the other related groups shall be escalated each year, not just by 2 per cent but by the total percentage increase in the cost of living. This is good. This is welcome news to the nearly 100,000 people who are affected by this legislation. The other change is to lower slightly and under certain conditions the age at which escalation can begin in the case of retired RCMP and retired armed forces personnel. This change does not go far enough, but as far as it goes it is most welcome.

As the hon. member for Grenville-Carleton (Mr. Baker) has said, this is not the end of the road as far as public service matters generally are concerned. I underline the various points he has made touching other subjects which ought to be dealt with. But I also emphasize, even as one who has supported this legislation and who supports it today, that this bill is not even the end of the road as far as public service pensions are concerned.

● (1520)

Within a few weeks, or within a few months at most, when we have passed proposed amendments to the Canada Pension Plan, we will just about have done the job of providing for all pensions that come under federal auspices to be escalated at least annually by the full extent of the cost of living increase. But we must move on from that. Merely to get one's pension escalated in step with the cost of living increase is simply a case of being permitted to continue to enjoy only that total amount of goods and services that one enjoyed at retirement. But society moves on. Wage levels move up and the standard of living goes up. Some of us feel that we must now start to think of escalating pensions in accordance with the rise in wage and salary levels and in accordance with the rise in the gross national product.

One of the good things about coming to the end of a crusade is that it gives one a chance to begin a new one. We welcome this bill. We welcome what it means not only to the nearly 100,000 persons it affects, but in principle to all Canadians. But now is the time to look forward to the escalation of pensions on still a better index so that our retired people, public servants and all our citizens, will have the right to enjoy not only enough to keep alive, not only enough to keep up with the cost of living, but the opportunity to share in the increases in the standard of living which society is able to achieve, which to a large extent has been made possible by our older people. With pleasure, we support this bill.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa East): Mr. Speaker, if I have not joined in this discussion it is simply because I support this bill without reservation and because, as an Ottawa resident, I am most pleased to see this government legislation about to be passed.

[*English*]

Motion agreed to and bill read the third time and passed.

* * *

FAMILY ALLOWANCES ACT AND YOUTH ALLOWANCES ACT

AMENDMENTS TO INCREASE PAYMENTS

The House resumed, from Tuesday, September 11, consideration of the motion of Mr. Lalonde that Bill C-223, to amend the Family Allowances Act and the Youth Allowances Act, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, when I was speaking on Bill C-223 last evening I was unfortunately interrupted by an intentional interjection by the Minister of National Health and Welfare (Mr. Lalonde), who to me was attempting to cut off my complete freedom to speak on this bill as I saw fit. It is interesting to note that when the bill was introduced by the minister to whom I have referred, he was not interrupted once. Yet in his presentation he referred to inflation, the cost of living, and made other references in

defence of the government's hopeless handling of inflation in this country, 21 times. He made those references in the context of saying that the bill before the House today, Bill C-223, was one of the government's ways of combating inflation in this country. We are surely entitled, on this side of the House, to call that type of representation what it is—misrepresentation.

In this context I think the House should be reminded of the minister's words in his maiden speech in the House on January 11. After pointing out that he felt it was almost sacred in the House that those in government follow the advice of the 264 delegates of the Canadian people who were sharing the government's task, the minister went on to say, as reported at page 197 of *Hansard*:

I believe the highest honour that can be conferred on one of its members is that of being recognized by his colleagues as a true House of Commons man. As I begin my parliamentary career, I can only express the hope that one day my colleagues will be kind enough to give me such an honour.

Whoever is chalking up the tally in anticipation of the conferral of such honour, I hope they chalk up against the minister what he did in the dying hours of the debate last evening.

It is strange what nine months can do to a minister. Nine months to the day of his saying those words he has become an arrogant, Trudeau cabinet minister. Perhaps the thing I take greatest exception to is not whether the minister misused the rules of the House in making his interjection but that the minister made new misrepresentations. I refer to a statement of his to the effect that the official opposition has been well known over the years for its opposition to any move to increase family allowances. How could the minister make that statement on the same day that my colleague, speaking as the main critic for our party, said in the debate he was concerned that the minister may not be able to bring in the bill contemplated earlier—that is, the $20 average family allowance bill—in time for January, 1974? My colleague concluded by saying, as reported at page 6424 of *Hansard:*

For our part we shall support this measure. Faint as it is, it does help, and we wish to help these people as much as possible.

In spite of that statement by my colleague, we have the minister misrepresenting to the House, according to his language, that this party has always stood in the way of family allowance advances. Having said that, I believe it is interesting to go a little further and to say, if the minister is sincere in what he says, that I wish he had introduced in the bill now before the House a provision that would at least have restored to the families of Canada the buying power that their family allowances had when the Conservative government was in power in this country. The minister has put a deflator on the $12 proposed in this bill. If the figure were deflated to the 1960 period, it would be found to be actually 50 cents short of regaining to those who received family allowance the buying power it had in the years of Conservative government in this country.

● (1530)

Think of it. Here we have a minister who comes into this House and, without admitting that it is his government's mishandling of the economy that has caused inflation, expects us to accept as a kind of magnanimous gesture an increase which does not even restore the buying power of family allowances to what it was in the years of the previous Tory government in this country. To put it another way, this gesture represents an increase of, not $12—let us not forget this—but $4.80, which is 15 cents per day, per child. That is what the minister expects us to jump up and down about and exclaim, "aren't they tremendous in their anxiety to help families in this country?"

[Mr. Stevens.]

I raise these points because, while we are not opposed to an increase in family allowances, we think family allowances should be put on a basis as contemplated in the bill which, hopefully, will be introduced shortly, that is, to take into account deflation or inflation as the case may be. It is totally wrong for the minister in introducing the bill in this House to pretend that somehow this is a measure designed to fight inflation, and to suggest that this is something the government is doing in the best interests of Canada, without admitting that it is his government's mishandling of the economy which has resulted in those who receive family allowances requiring such an increase.

Having said that—I know this will embarrass the government and the minister—in June of this year the Organization for Economic Co-operation and Development, which represents 24 countries including the United States, Japan, France, West Germany, Italy, The Netherlands and Britain, stated in a report that the consumer price index for food had risen more sharply in Canada than in seven other industrialized countries in the 12-month period ending in June. Those are the facts, and surely we in the opposition have the right to point them out and to insist that the minister discontinue his tendency of misrepresenting those facts to the House.

I would add that the same report also stated that the performance of the United States was the best in respect of all goods and services, yet we constantly find that, rather than introducing measures in this House that would contain inflation, this government only offers measures to relieve its effects, and some measures that indeed contribute to inflation. On that point, I would remind hon. members that on the twenty-first occasion on which the minister referred to inflation in his introductory remarks, he stated:

The government continues working to provide the best form of income security possible, and that is a reduction of the rate of inflation itself.

I should like to see concrete evidence of the steps the government is taking to reduce inflation. It is not enough for the government to give us another twist to that old slogan "The land is strong" by simply saying "Lalonde is strong". This country deserves better government than it has received in the past ten years. The evidence of mishandling is there and it is important that we should not be confused. The bill before us is a measure which simply relieves. I might add that it does not entirely restore the loss in buying power of those who receive family allowances. I say that because the increase is 50 cents short of returning that buying power to its level during the previous Conservative government's days.

It is also interesting to note that if the buying power of family allowance recipients was to be restored to the level of 1946 when family allowances were first introduced, we would be considering an average allowance of $19.35 as opposed to $12. That is why my colleague, the hon. member

for Hillsborough (Mr. Macquarrie), indicated in his remarks; he felt it would be more fitting to provide something closer to the average in order to compensate for what has been lost in buying power as a result of inflation in this country.

In short, we are supporting this bill in order to help those who have been hurt by inflation which is at least in part due to this government's mishandling of our economy.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Stevens: From you, gladly.

Mr. Knowles (Winnipeg North Centre): You are very kind. In view of the hon. member's statement, and he said it last night as well, that his party is supporting this bill mainly because inflation has made it necessary for these payments to be increased, may I ask if that means they do not support in principle the idea of family allowances as a means of redistributing income?

Mr. Stevens: Mr. Speaker, I am sorry the minister is not in attendance to hear my answer to that question. I personally support the bill in principle, and to prove my point I should like the hon. member to read my column sent out on August 15.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I do not see the House leader or the acting House leader, but I believe there was agreement among the four parties that this bill would be referred to the committee of the whole House rather than to the standing committee.

Mr. Lalonde: Mr. Speaker, there has indeed been consultation through the usual channels and I understand there was agreement to consider this bill in the committee of the whole House. If the appropriate amendment could be made to the motion, I would appreciate it.

The Acting Speaker (Mr. Laniel): Does the House give unanimous consent to modification of the motion in order that the bill may be referred to the committee of the whole House?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the chair.

On clause 1—*Monthly allowance.*

Mr. Macquarrie: Mr. Chairman, I am sorry the minister was not present in the House as the hon. member for York-Simcoe finished his address. One wants to have as broad a degree of good will and unanimity as one can on these matters, and I think a courtesy would have been extended had the minister been here. I hope he was not behind the curtain smoking, which would be a most terrible thing for a Minister of National Health and Welfare to do.

● (1540)

Also, I deplore the sour note that was added to the discussion of this measure when the minister, last night sought, on a point of order, to take the floor from the hon. member for York-Simcoe. I know the minister has not been in this House very long and may not be familiar with the ways here, but this is not good form by any means and does not add to the good will which can permeate this chamber if the House decides on the passage of legislation. There are some in the press gallery, if they are ever here, who regard this chamber as something between a large courtroom and a small circus, but when parliament is performing well it is in fact neither. So I deplore what I would have to describe as the ill-mannered performance of last night. I want to say that in the interest of a supportive House in respect of this measure—and I pledged that on behalf of my party long ago—members of my party made interesting and valuable speeches, as did members of all parties.

In my opinion there has been a good discussion of this important matter. I listened to every speech made by the minister and members from every portion of the House. I think this is the way we should conduct ourselves, having due and proper regard for the rights and indeed the views of others, and not imputing motives. I even heard the minister say that the member had a right to speak. Of course he had. That is what this place is all about.

So far as I am concerned, we on this side of the House have conducted a careful examination of the measure and if it is the disposition of other parties to field one speaker on the matter I am prepared to pledge my party to do the same so that we can put this measure forward. We have given it our blessing and our criticism. I suppose the minister will pay as much attention to one as to the other. But at this particular stage we are prepared to play our part to advance this legislation. Faint though it be, we will not blot out such light as it may bring to bear.

Mr. Knight: Mr. Chairman, I respect, as usual, the remarks and the call for unity of the hon. member for Hillsborough. I find that somewhat unique in light of the remarks of the hon. member for York-Simcoe last evening. The members of the Conservative party must have had a long conversation in caucus to make sure they knew how the hon. member would vote when the vote finally came around.

An hon. Member: Did you hear the part about manners?

Mr. Knight: Some Conservatives made disparaging speeches but they sent their noble statesman from Prince Edward Island to clear the air. So we accept his statement. However, I wish to make a few remarks related to the principle of the bill and to clause 1 and what it is all about.

I am one who was brought up in the environment of a working-class home where the mother always looked with

anticipation to a family allowance cheque as her source of income to spend on the needs of the children. People in such circumstances can respond in the affirmative to an increase in family allowances and to the principle of universality which is maintained in this interim change in the family allowance and in the bill as it will be presented to take effect in January, 1974.

There are not just the financial implications—and I think in the debate we missed this point—of increasing the family allowance but in this country thousands of women have decided not to go into the work force but to stay at home and raise a family. Psychologically—I believe this is important—they look upon the family allowance as a source of income to them within the family structure for assistance in the upbringing of children. So at a time when we have seen a rise in the cost of living, not only do the mothers in urban areas of my constituency but the mothers on the family farm see an increase in the family allowance as a fundamental increase in the purchasing power of their families and an increase, in fact, of their responsibility in handling that extra money.

I fully support this increase. Other members have mentioned that they wish to see the complete increase to $20 which is to be presented in the new legislation; but I think that is something which, if it comes in January, will be better late than never. In our society approximately 3.5 million Canadian families will be affected by this increase to $12 a month in October, 1973. That, along with the tax concessions in terms of exemptions and so on of February—which I support—is a 12 per cent increase in purchasing power. That is not to be overlooked in terms of the importance of this bill.

I also want to point out that often, and justifiably so, we speak of the individuals in a family living below the poverty line. One in four Canadians is living below the poverty line, which has been described as $4,500 annually. There are 1,700,000 children involved in families living below the poverty line. However, let us speak in terms of the other families involved. Let us speak of the man, for example, who works for the highways department, is raising two or three young children and is earning $6,000 or $7,000 a year. We might also speak of the man who is running a grader for the municipality, is raising a family of two or three children and is earning $6,000 or $7,000 a year, or of a man who may be in organized labour but is working in a co-op store or in a Safeway's store and earning around $7,000 a year. This increase to $12 in non-taxable family allowance is of extreme benefit to these people in terms of the purchasing power of the family. It is related not merely to food but to clothing and other items. So it is fundamentally important that we support this legislation.

I want to state again that had not the Liberals and Conservatives supported the corporation tax cuts for corporations which are making profits the like of which we have never seen before, there could have been an additional $500 million to go to such items as family allowance. That would average in the neighbourhood of $140 a family. It would be a step along the road of a meaningful redistribution of income.

There is another factor I think ought to be considered in respect of redistribution of income. The hon. member for Edmonton-Strathcona, for whom I have considerable respect—I have had an opportunity to converse with him in terms of ideas and ideology concerning airplanes—when speaking last night said he feared we are moving along the road to a guaranteed annual income for Canadians. He said he feared it. I want to say that I welcome it, that I believe it is a fundamental move in the direction of a guaranteed annual income for Canadians which will bring about a basic redistribution of wealth.

[Mr. Knight.]

● (1550)

While increasing the family allowance at this time and making the increase non-taxable, the minister should give some thought to the increase to $20 maximum which will become effective on January 1, which will be taxable. My point is this: many people have said—in some ways I agree with them—that by making family allowances taxable, greater equity will be achieved because families that do not need this money will pay it back in income tax. There is some justification for saying that. But I point out that if you have read any of the studies on taxation and on the manner in which it is applied in this country, you will find that equity will in fact not be achieved; that our tax structure, in terms of how it affects families, working people, farmers and small businessmen, has certain inequities built into it.

Therefore, certain people in the high-income brackets, given the proper exemptions and proper kind of tax breaks which they get in terms of corporation dividend tax credits, etc., can in fact collect the family allowance of $20 maximum and not pay it back in income tax, while wage earners at a certain level can collect the $20 and will have to pay back a certain amount in tax. If you follow that argument, then you come to the logical conclusion that if you make the family allowance taxable, you have to take into consideration the necessity for a vast revision of the Income Tax Act to make sure that it fits into an equitable and progressive tax system, which is not the case today. I plead with the minister to use his good offices in the cabinet not only to change family allowances in terms of increasing the benefit but also to change the tax system so that it becomes a more progressive system for people in the middle and lower income brackets. In that way it would meet their needs much more adequately.

Several weeks ago the party to which I belong met in caucus. We considered a number of programs that we felt were necessary to bring about in order to meet; in the best possible way, the rise in the cost of living. One of them was immediate implementation of the new family allowances bill. We now have before us an interim measure. I believe we should in the coming months bring forth legislation related to the new change in order to ensure that by January 1 Canadian families receive an increased family allowance in accordance with the criticisms of the NDP in the previous session of parliament, before the general election, when we called for a universal scheme.

In my area many people said they were pleased that we stuck to our guns and would vote against a plan that was selective. We feel that a selective plan would pitch one neighbour against another and would cause the kind of agony that takes place in a small community when one family asks why another is getting so much in family allowance when they are only getting this much, even

though they do not know each other's circumstances. This causes bickering and bitterness, as has happened with the old age supplement. We accepted the principle of universality. It may be a fact that once this minority parliament is long gone and we go through another general election, the most fundamental piece of legislation in its significance to Canadians, in the realm of redistribution of income, will be the family allowance legislation, if we make sure that it is on the books in the new form which maintains the principle of universality. Furthermore, it may mean that minority governments will find it preferable in the future to do away with the stupid and erratic use of supplements to old age pensions and will apply them across the board similar to the principle we have established in the family allowances program.

Canadian families in the lower income brackets, if their income is $4,000 and there are four children in the family spend up to 32 per cent of their income on food. Families with incomes of $12,000 spend about 15 per cent of their disposable income on food. So this increase at this time can be of great benefit. As to other measures introduced by the government, although I would like to expand on them I believe they could justifiably be dealt with at another time.

I happened to agree last night with the remarks the minister made to the hon. member for York-Simcoe. The minister was frustrated by the fact that the subject of wheat was brought up in the debate as well as interest rates and other questions related to the cost of living. But I plead with him, in all sincerity, to approach the minister in charge of the Canadian Wheat Board and the Minister of Agriculture and to ask them to make a statement on motions in the House on exactly what kind of program they are putting into effect, where the benefit is to the consumer and where the benefit is to the producer. That matter should be clarified.

I hope the Minister of National Health and Welfare will ask his colleague, who I hope is listening to this debate, to rise in the House and explain those policies so that hon. members do not attempt, as did the hon. member for York-Simcoe and others, to drag into the debate other issues related to the cost of living. If he were to do that, his legislation would go through the House with far greater speed.

In summary, I should like to say that I support this interim measure and look forward to the long-term legislation, which I will also support, to help Canadian families in general and families in the Assiniboia constituency in particular.

The Deputy Chairman: The hon. member for Roberval. Is the hon. member for Hamilton West rising on a point of order?

Mr. Alexander: I rise on a point of order, Mr. Chairman. I do not wish to enter the debate and make a speech. The hon. member for Hillsborough presented the case of the opposition admirably and without equivocation, hesitation or reservation. All I want to do is ask the minister a question. Could he give me some assurance that the moneys that will be due—

The Deputy Chairman: Order, please. I thought the hon. member wished to ask a question of the hon. member for Assiniboia. If not, let me point out to him that I had recognized the hon. member for Roberval. I will come back to the hon. member for Hamilton West later.

● (1600)

[*Translation*]

Mr. Gauthier (Roberval): Mr. Chairman, without trying to delay the passage of this bill, I would like to make a few comments before we proceed to the consideration of every clause of the bill.

First, we are satisfied in part with this bill and I say right away that I support its passage. However, I regret that the minister did not introduce the measure he referred to in this House, namely that family allowances would be $20. However, we will be assured that our children, all children of Canada, until the age of sixteen, will finally have $12, considering the fact that we have been asking for years that allowances be geared to the cost of living. It is far from being so, but this is still better than nothing.

I congratulate the minister for having maintained the principle of universality as regards the new allowances that will be paid, as stated in the recommendation, after September 30, 1973, in the amount of $12 for every child of Canada, whatever his parents' means or wealth may be.

Mr. Chairman, we have always spoken in favour of universal laws. We are governed by a national government and we must always try to pass universal and not selective legislation. Selective legislation is always somewhat discriminatory for a given group of people.

We are considering here the child as a member of society and not of a group of people, for instance, who are poorer than others. It always bothers me when I hear about poverty. We must give more to Paul than to Harry because he is poorer; Harry is richer, Paul is less poor. Well, I suggest that this is not how we should distribute our country's income. When a child is entitled to family allowances, he is not entitled to it because he is poorer or richer than someone else but because he is a human being with a national right to a redistribution of national wealth.

It is from that point of view, Mr. Chairman, that I wish to support the minister, because he has upheld the universality concept which our party has always advocated. We are often asked: "What do you do about rich children in comparison with poor children?" Now, such is not the allowance issue nor the bill under consideration.

Indeed, we know perfectly well that the richer parents will compensate for the allowances paid to the poor. However, we consider that the allowances will be paid directly to the children, whatever the parents' means. And it will rest with the parents to do their duty by the state, but we do not have to bother about that, the state will see to it.

When we file income tax returns, the state does not forget it. If it must necessarily forget about the poor, it surely does not forget the more affluent and at this point, the head of the family should consider family allowances as a child's right. We are not necessarily giving charity to a child. When I hear about selectivity, it sounds like they were giving allowances because a child belongs to a very

poor family. This is not a question of charity, but entitlement.

That is why allowances must remain universal. Thus, a lot is being saved at the administrative level because the allowances require only a distribution office and the production of a child's birth certificate.

On the other hand, if we had a selective allowances program, this would require an army of more than 4,000 inspectors to check on families in order to establish the age of the child and his parents resources, which would eat up perhaps one third of the money.

We are fed up with red tape. And at the present rate, particularly these past four or five years, there will soon be a whole army of bureaucrats. Why? Because certain selective laws require investigations and more investigations, as is the case for the Old Age Security Act and the former legislation on family allowances. And Quebec will soon propose $12 or $20 monthly allowances related to the degree of poverty or affluence of the parents. That is a game to which I object, and to which I will continue to object.

The minister has been firm today: he has introduced this bill containing only five clauses, but which has its merits. Allowances will at least have been increased to $12. The minister has decided to increase them later on to $20. Let him do it, but on the condition that they become universal. And when the matter of selectivity will be raised, let him object, for I repeat that the payment of family allowances is a right of the child and not an act of charity to the parents.

Once again I give the minister the assurance of our support every time that he will introduce legislation along those lines. And I wish with all my heart that in January the minister will submit another bill increasing allowances to $20 a month for all children. The minister has implied that this allowance will be subject to income tax. That is another matter, but all that we ask at first is that, whether it be of $20 or $25, as he determines, it retain its universal aspect, and I can assure the minister that on this point, he will get the support of 90 per cent of the population.

Once again, I congratulate the minister and assure him that we shall gladly support this bill.

[*English*]

Mr. Alexander: My only fear about this bill concerns the type of machinery which the minister and his department have in position. I ask the minister to assure hon. members and the people of Canada that the cheques containing the increase will go out on October 1. Can we have that assurance? Perhaps the minister has covered this matter already. However, I would point out, with respect to the income tax legislation, that I still receive letters from people asking why it is taking so long to process their returns. I hope the minister can be definite in his answer in order to give some hope to those who have been suffering as a result of the high cost of living.

Mr. Lalonde: First of all, Mr. Chairman, I would like to tell the hon. member for Hamilton West that I am quite happy that there seems to have been a change of heart in the official opposition between last night and this afternoon, and if the opposition—

[Mr. Gauthier (Roberval).]

Mr. Alexander: On a point of order, Mr. Chairman, I resent the minister returning to partisan tactics once again. The hon. member for Hillsborough put our position admirably. I asked the minister a simple question and he, after consulting his officials, surely can answer it. We do not need all this nonsense about changing position and that sort of thing. Just let him answer the question.

● (1610)

Mr. Lalonde: Mr. Chairman, anyone bothering to read the record will soon see who has indulged in partisanship in the last three days in this House. I can only answer the question in a hypothetical way because, as was shown clearly yesterday, I am in the hands of the official opposition with regard to the adoption of this bill. Yesterday they wanted to talk about it for a long time and today they are willing to proceed quickly with it. I am very pleased about that.

If the bill is passed in the next few days, I have no hesitation in saying that cheques will be issued in October and will include the amount that is proposed in the bill. Every month family allowance cheques are sent out so that they are received by families on or about the twentieth of the month. So on or about October 20, if parliament approves this bill, every family in Canada will receive for each child a cheque for $12.

[*Translation*]

Mr. La Salle: Mr. Chairman, I will be brief and I hope the minister can give us an opinion on what I asked yesterday. I urged the minister to give particular attention to the possibility of granting family allowances up to age 21. Since the minister was then in the House, I should not have to repeat the arguments I presented yesterday, concerning all the changes which have taken place in our education system and which, not only, make it possible for children to go to school much longer than 20 or 25 years ago, but also makes it necessary. On the other hand, education costs are much higher than they were and the obligation for children to stay in school all day and have their meal there constitutes, of course, an additional charge for the parents. I wonder, in the context of present day life, if it would not be wise for the government to consider very soon, the possibility of granting family allowances up to the age of 21. The minister could at least give some hope to the population by telling us that he will think about consulting the population about this measure, which I consider to be very reasonable. I would like also to suggest to the minister, unlike my colleague on the right, the hon. member for Roberval (Mr. Gauthier), who speaks of the universality of family allowances, that a national average be set up. I am very happy to see that the provinces will be able, to the extent where they shall have the right to do so, to give more to those who are in greater need.

I think this bill provides for a just distribution, and I hope that the minister can give some hope to the population concerning the establishment of a program of family allowances up to the age of 21.

Mr. Lalonde: Mr. Chairman, I am of course going to consider the view expressed by the hon. member for Joliette (Mr. La Salle) as I give serious consideration to every point he raises concerning the activities of my department and this subject will probably be brought up again for consideration during the study of the whole social policy we are presently conducting with the provinces.

As far as the mechanism that could be used to help students between 18 and 21 years of age is concerned, I am far from sure that the family allowance system is really the most appropriate one. As the hon. member knows, a good member of those students are able to work, for instance during the summer, and have sometimes quite a substantial income. Furthermore, at the academic level, there are a very large number of scholarships that of course vary according to the provinces and I think that eventually, a good number of provinces might extend their scholarship or loan system or even take steps toward free education even at the university level.

Then it seems to me that the principle of extending family allowances up to 21 years of age for a particular group should be considered in the light of all present social and educational assistance programs. I think that, in terms of priorities, the hon. member will admit that the first step was surely the one we submitted in the bill tabled in July. There are presently, as the hon. member also knows, many demands on public funds in the whole field of welfare which is really inadequate in many parts of the country.

Then, this shall be considered in terms of general priorities and demands made on available funds in the social security sector, not only at the federal but also at the provincial level.

That is, therefore, a question which I really cannot answer now but it will surely be studied in the course of my discussions with my provincial colleagues.

[*English*]

Mr. Nowlan: Mr. Chairman, may I ask the minister a question? I have not participated in this debate and do not intend to participate now to any great length. I certainly do not intend to be seduced by any provocative remarks in a political vein made by the minister. I listened to the hon. member for Assiniboia trying to bring in by the back door what he accuses the opposition of bringing in by the front door. However, I will not allude to those items in this debate.

For the purposes of the record, in case there is any suggestion of filibuster, I hope it will be noted that this debate began on Friday and continued yesterday, that Her Majesty's Loyal Opposition put up six speakers, and the NDP, in what might be described as an attempt almost to filibuster the principle of this bill, the principle of their pet proposal, put up four speakers.

Mr. Bell: And the minister talked it out last night.

Mr. Nowlan: The minister, in a most unusual display of anxiety, practically exposed himself to the attentions of a medical doctor, to judge from the line he was developing last night. However, being objective, I wish to ask the minister a question. He or his officials may not be able to furnish the answer today. Perhaps the answer could be delivered by letter or given when we discuss another bill, because the present bill is an interim measure so to speak.

When we discussed the FISP legislation I asked a question which is related to the comments of the hon. member for Assiniboia when he spoke about redistribution of income. I want to know how income will be redistributed in this country by the granting of the $20 later, and the $12 at present, in family allowances. What will be the impact of any redistribution on the various regions and provinces?

In this country we have espoused regional economic policies, other economic policies and policies under which the central authority pumps money into many areas of Canada. For several reasons I want to know what will be the dollar impact of family allowances and youth allowances on the various regions and provinces. I do not think that information is in the orange book. If the minister can tell me now, I will be grateful; if not, perhaps he can tell me later.

Mr. Lalonde: Mr. Chairman, I thank the hon. member for the very generous and non-partisan remarks which he made at the beginning of his comments. I refer him to the very useful document that was tabled in the House on April 18, entitled "Working Paper on Social Security in Canada". I refer him to table 10, page 55, which sets out for every province the amounts being paid by way of family and youth allowances, and OAS and GIS.

Since the $12 now proposed involves a simple addition to the existing legislation, if we assume that the average family allowance in Canada is worth about $7.21, it will be very easy for the hon. member to add the percentages that appear on page 55 of the working document to this figure and arrive at the approximate figure that is to be distributed in the various regions as a result of the increase.

● (1620)

With regard to the second aspect of the problem raised by the hon. member, I beg him to wait until we consider the bill providing for an increase to $20. In that particular case we will obviously have to take into account the average income tax rate being paid in each province and region. This will obviously vary with the level of income in regions and provinces, so that there will in effect be a greater regional redistributive effect under the taxable proposals than there would be under this particular scheme. Indeed, the lower being the average income, the higher would be the net amount left for the family.

Mr. Nowlan: I thank the minister. I appreciate that the FISP proposal certainly had much more latitude as to how that proposal would apply in dollars and cents. I will not go any further today but will wait with interest for the main bill. Either in committee of the whole, or in the standing committee if the bill is referred to the health and welfare committee, it would be very interesting if the minister would develop that aspect of the matter.

Mr. Lalonde: I will do that with great pleasure. The argument about redistribution that was made in the House by several speakers during second reading deserves further discussion and clarification. In terms of redistribu-

tion of income in Canada, this particular increase will have no great impact. It will obviously give more to the people who need it. It will probably be more helpful to families with low incomes than families with high incomes. In terms of redistribution it is pretty neutral. The new proposal of $20 a month will obviously be more redistributed than under the present system, but it will not be as redistributive as the FISP proposal.

I would not like to be the one to deprecate the bill I have brought before this House. I know there are very good administrative reasons, and some political reasons, why we should proceed in the way outlined in the bill introduced last July. At the same time, we cannot have our cake and eat it too, claiming that because it is universal and taxable it is the greatest redistributive move that can be made. FISP was even more redistributive, but it had other drawbacks. The whole question of universality and selectivity deserves further consideration at a later stage. I will be pleased to discuss this with hon. members.

[*Translation*]

Mr. Béchard: Mr. Chairman, I have a question for the minister.

Like all hon. members, the minister knows that, unfortunately, every time the federal government increases some allowance or other, the provincial governments—at least some of them—hurry to reduce immediately by as much the social allowances paid to certain families.

For instance, the unemployed or the sick receive social assistance in the province of Quebec. Can the minister tell us whether or not he has the assurance from all his provincial counterparts that the increase we intend to grant Canadian families will not be denied them elsewhere?

Mr. Lalonde: Mr. Chairman, obviously I can give no assurance of this for the time being. However, I intend writing to all my colleagues, emphasizing the decision of parliament if this bill is passed and asking them to see that these amounts are effectively handed out to the Canadian population, and in particular to those who receive social welfare payments. Then, with the support of all hon. members, I think that I will insist that the provinces do not take this increase as an excuse for reducing certain allowances made to social welfare recipients.

[*English*]

Mr. Stevens: Mr. Chairman, I wish to direct one or two questions to the minister. When I asked the minister yesterday when the government intended to introduce some substantive legislation into the House, he replied that I should go to hell. Was he speaking personally, or on behalf of the government?

Mr. Lalonde: Mr. Chairman, I resent very much that type of statement by the hon. member.

Mr. Béchard: That is typical of him.

Mr. Lalonde: The hon. member knows very well that the exchange that took place behind the curtains was done in a joking way. When the exchange was made there was no animosity between him and myself. Every once in a while this type of exchange happens with my friends on this side of the House when we talk together. There was certainly no intention on my part to in any way offend the hon. member. The attempt of the hon. member to put this on the record speaks for his ethics.

Mr. Stevens: Can the minister indicate how the government arrived at the $12 figure? What was the rationale behind that?

Mr. Lalonde: Mr. Chairman, having listened to the hon. member's competent analysis yesterday. I can only say that it compares with his ability as a banker of previous days. Therefore, I do not think he will have any difficulty determining how we arrived at the $12 figure.

Mr. Stevens: Mr. Chairman, I will restate my question. I indicated that I cannot find the rationale, using deflators and that type of thing, to determine how they arrived at the $12 figure. I ask the minister to give us the benefit of his reasoning as to why they thought $12 was a suitable figure.

Mr. Lalonde: Mr. Chairman, I refer the hon. member to the bill tabled in this House in July. It provides for a national minimum of $12, below which no province will be allowed to go in the establishment of provincial variations. It is in reference to this national minimum that this amount was determined.

Mr. Stevens: Mr. Chairman, I have another point. What assurance can the minister give us that in fact increased cheques will be going out for October, November and December?

Mr. Lalonde: If the hon. member had been in the chamber when I replied to the question asked by the hon. member for Hamilton West, he would have heard the answer to this question.

● (1630)

[*Translation*]

Mr. Allard: Mr. Chairman, I am very pleased with this opportunity to speak on Bill C-223.

Of course, we of the Social Credit are aware that giving $4 or $12 at the beginning of October is a step in the right direction, but we contend that it is not enough, that much more could be done.

It is strange that whenever it comes to alleviating the misfortune of the haves-not and of the heads of large families, the government seems to have much trouble finding the necessary money so those people will be reasonably well off.

If I may, Mr. Chairman, I could perhaps tell the hon. Minister of National Health and Welfare (Mr. Lalonde) where he could find the necessary dollars to provide for more substantial allowances.

For instance, in 1944, when the gross national product was $12 billion, we were paying $20 a month to older people and $6 a month per child; and in 1973, the gross national product being $114 billion, we are willing to pay older people $179.65 a month, of which I am delighted, although I would have liked that amount to reach $200, while monthly family allowances are still at $6.

I said a while ago that the gross national product was $12 billion in 1944 and $114 billion in 1973, which represents an increase of 950 per cent. In the meantime, consumption which amounted to $10.8 billion in 1944 increased to $66 billion in 1973, which means an increase of 612 per cent. Capitalization, which stood at $1.2 billion in 1944, went up to $48 billion in 1973, an increase of 4,000 per cent.

As one can see, Mr. Chairman, within 30 years, we produce much more but we consume less and less in order to capitalize much more, mainly for the benefit of private, public, national, international or multinational corporations.

Now, if less is consumed, we must see who suffers from this lower consumption and remedy the situation by taking money from such areas as are over-capitalized without however keeping investments from contributing to the progress of the nation.

To think that the Minister of National Health and Welfare claims that he knows no magic wand nor philosopher's stone! He is smarter with words than with figures, statistics, ratios, percentages, which allows him to say he does not know where to get the money, that is, in the hidden hoards of companies.

During 30 years, Mr. Chairman, family allowances were administered with 1944 money, the so-called constant dollar. Now this means that today a mother who wishes to buy a quart of milk at 35 cents must pay with 1944 money.

During that time, old age pensions were administered with current dollars, that is the dollar adjusted to the cost of living, increasing them to $20 a month in 1944, $40 in 1960, $75, $90 $100, $170 later on and to $179 in 1973.

It is presumed that the same thing could have been done for family allowances, but it has been deemed necessary to do otherwise for unexplainable reasons.

Today, with 30 years of delay and on the basis of our experience, let us merely correct the situation, paying with 1973 dollars the family allowances which have remained at the level of 1944 constant dollars.

To be logical, consistent and realistic, I presume that we should pay at least between $25 and $30 per child and, as my hon. colleague from Joliette (Mr. La Salle) suggested a moment ago, at least $90 a month in salary to every student and this, until the end of his education.

This is where the hon. minister could obtain the resources he claims he is lacking. Therefore, if we want to be consistent, we must not spend so much time in discussions. The magic wand and the philosopher's stone are readily available to ensure a fair and honest maintenance to the many large families which are truly living in distress and fear of the next day.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, when we were in committee of the whole on Bill C-219 dealing with amendments to the Old Age Security Act, I spoke critically about the complicated drafting in that bill. I should like a moment or two in which to do the opposite today and to say how pleasant it is to find before us a bill which is very simple. In fact, it is so simple that anyone in the House can understand it. It is only one and a half pages long, it contains only five clauses and it amends two separate acts of parliament.

I cannot suggest that it was my criticism of the other bill which brought about this change because, after all, this bill was already before us. But it does give me an opportunity to say it is not new for a piece of social legislation to be drafted in simple terms. This was particularly true of the original Family Allowances Act. I remember it well. Nevertheless, I went into the library to get a copy, and here it is, only five pages, as we passed it in 1944, and under it millions of Canadian children have enjoyed the benefit of family allowances during the past three decades.

I found myself in a nostalgic mood when my hon. friend from Assiniboia was speaking and referring to his childhood memories. He recalled the family allowance cheque which came in month by month, which enabled his mother to keep things going for him and for the other children in the family. I realized as he spoke that I was here voting for the Family Allowances Act before he was born. As a matter of fact, I would be interested in knowing how many of those who are in this chamber today—any member under 30 and a good many of those between 30 and 40—are healthy, strong, Canadians because we passed the Family Allowances Act in that parliament back in 1944. Not only was it a simple piece of drafting, it was also a very effective piece of legislation, as so many members can testify.

Another interesting fact is that when the original bill was passed in 1944, the top amount payable as a family allowance was $8. That top level has remained unchanged ever since the bill was passed in 1944. So really we are raising the amount for the first time since the act was put on the statute books. It is to be $12 commencing in October, and in a few months we shall be raising it to $20 a month.

I do not wish to spin out the debate because I think it would be a good idea to get the bill through the final stages this afternoon so that it can be put into operation this coming month. It is precisely because of its simplicity that the hon. member for Hamilton West was able to get such a specific answer from the Minister of National Health and Welfare. When complicated calculations have to be made, there can be delays. But when all you do is change a figure in the printing machine which produces the cheques from 8 to 12, things can be done very quickly. So the minister was able to give a positive assurance that if this bill is finally passed by parliament within the next few days, there is no question the October cheques will be based on the higher amount.

I am not saying these things lightly, but because they underline the value of the principle of universality. I listened to what the minister had to say a few moments ago about universality versus selectivity, and also about the distributive effect of these payments. We can go into that on a later occasion. I still want to underline my belief that the best social policies are those which treat people as people, which do not go into the area of charity or selectivity, but which are based on the principle of universality. It was a good bill we passed in 1944 and this is a good amendment which the minister is making today, though it is only good, of course, in the sense that it is an interim

measure pending the introduction of the new $20 level which is to be effective in January.

I come now to the main reason for my rising, which is to remind the minister that a friend of his, and of mine, I am happy to say, a former top civil servant, has written to him, as he has written to me, suggesting certain things which might be considered. I rise to ask the minister to give thought to them. I know that the ideas that were put in the letter to which I referred cannot be put in the bill today, and I also know that Bill C-211 has already been drafted. But this former top civil servant, who has some expertise in this area, suggests that what we have here is a Family Allowances Act. It is not a children's allowances act, though sometimes popular terms that come close to that are used.

● (1640)

The expert about whom I am talking suggests that if the purpose of this legislation is to protect the integrity of the family and to make the family a viable economic unit, and so on, in addition to whatever is provided for the children there should be an allowance for the mother. It is also suggested that if we are concerned about the integrity and security of the family, the same kind of legislation should include a housing allowance. I support both of these ideas.

I am in the mood today of enjoying the progress we have made, but I am looking forward to the future. I underline these ideas which, as I say, have already been placed before the minister by an expert in this field, in the hope that he will consider them. We got over that monstrosity of FISP. The minister has introduced some new ideas into the concepts of social security that we are hearing from that side of the House. Maybe those ideas come out in this kind of parliament much better than they do when one party has a majority, but at any rate the minister has come out with some new ideas.

I should like him to go back and read the submission sent to him to which I have already referred, and ask the officials of his department and his colleagues in the cabinet to consider whether a way to redistribute income and establish the security and integrity of the family would not be to have family allowances include not only an amount for each child but an allowance for the mother and for housing as well. To me, these ideas make sense.

I conclude by saying what I have often said, that this is a good piece of legislation. Although we support it, it is not the last word and we hope the minister will give serious attention to ways of improving this good piece of legislation.

Mr. Lalonde: Mr. Chairman, may I thank the hon. member for his kind remarks in regard to the drafting of this particular piece of legislation. I am sure the person who drafted it will be very pleased to hear what has been said, all the more so since the same person drafted the previous bill. This may indicate that the problem that the previous bill had to deal with was more complex than met the eye at that particular time.

As to the other point raised by the hon. member, we are indeed examining the points that he has raised and which have been raised by correspondence. I should only like to refer the hon. member to proposition six of the working document, where we state the following:

> The incomes of those who are working but whose incomes are inadequate by reason of family size (even after the increase in the family allowances proposed above) or by reason of the nature of their employment should be supplemented under a single general income supplementation plan with built-in work incentives.

So exactly how the problem that the hon. member has raised is going to be met is the subject of study and consideration at the present time. Although I do not think we will be in a position to bring forward an answer to this problem in time for consideration with the other family allowance bill, it is the type of problem on which I hope to have some proposals during the course of the next year.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, I would like to comment very briefly on this important bill before us. Incidentally, I would like to point out that it is not always the most ponderous bills which are the most important and which bring the greatest quality and satisfaction to the population.

I also congratulate the Minister of National Health and Welfare (Mr. Lalonde) for having found a way to introduce so comprehensive a bill while using so little paper.

That being said, I would also like to add that society has evolved extraordinarily in the last forty-odd years. I recall that, when I was young, people were hoping for legislation which would authorize the payment of family allowances in Canada. I remember also having become a proponent of this. I was not in politics, but I was certainly concerned with social and family matters. And then, some very narrow-minded people accused us of simply propagating marxist ideas because, as they said, to give money for nothing, that was communism. So, they could not realize that we live in society precisely in order to give ourselves more economic advantages, to better succeed in life and that Canada was a country which could give itself such a law.

Today, you do not hear about these charges any more and all seem convinced of the fact that we must absolutely pass ever more measures designed to safeguard the rights of families and individuals.

The Minister of National Health and Welfare, in his speech on second reading last Friday, said that the principle underlying an immediate increase in family allowances was a stronger purchasing power for needy families, families with low and middle income, but I say that if this measure is good—the benefits being $12 a month—to fight inflation and increase the income of low and middle income families, we would all the more obtain better results if it were raised to $20.

● (1650)

Perhaps I will be told that this would be more costly and that taxes would have to be raised. In my opinion, my colleague from Rimouski (Mr. Allard) stated in his remarks rather valid ideas in this connection and about the means which might be used to finance higher family allowances within the framework of the current system. Anyway, I ask the minister—to whom I have already

spoken—to introduce an amendment to this effect since a member cannot do so.

As for me, I would have appreciated it if the increase had been retroactive to September 1, 1973 because it was school opening day and because it is the time when expenses are highest to prepare children for school. I calculated that this would cost approximately $4 million. Maybe retroactivity in this field will surprise many people. But if you think it over, the future of the young is being mortgaged for various other reasons and for years to come. If, from time to time, we should adopt a retroactive measure for families I think no one would complain.

I would like to deal with another point. More and more mothers have to work to increase the family income and meet the family necessities. The principle of a direct income to the mother is slowly progressing. Earlier I heard a member mentionning it; the principle is making its way. The family mother is also entitled to security and to income. For example, in Germany, a law has been adopted which guarantees to the mothers, to the housewives a monthly income of $300 to $400. People give statistics saying that the housewife works considerably, that is the same number of hours as plant employees, but I for one would be very hard put to say the exact number of hours that housewives and mothers work each week.

I was brought up in quite a large family and I never counted the time that my mother dedicated to the family. Everyone knows that mothers are very generous with their time to keep house and take care of the children.

If we passed a legislation providing some income for mothers, they could stay at home, take care of the children, have some security, all this while contributing to the family income. This would also give a chance to young people to go to work.

Young girls often ask me to help them find a job as a secretary, etc., in any field where they are ready to work, and they often make the following reflection: Why is it that we, young people, who have followed courses, hoping to get a job, are put aside so that mothers can have these jobs.

I believe that we should make up our mind one day to give some security to mothers, thus allowing young people to find jobs and thus reducing unemployment considerably without having to ask mothers to make sacrifices or ask parents to spend money. I think we should consider this very seriously. I am sure that the minister is already convinced. We will have to find a formula, with the officials of his department so that we can table appropriate legislation during the present session. This will be innovation in Quebec, but it will in any case be innovation and evolution in the right direction.

I want to say in all honesty that during this session I have been, until now, satisfied with the social security legislation which has been passed, especially as concerns income security.

We are therefore on the right track and I hope that this may continue. We must not stop, because if we do, we shall lose time. We must then continue while there is still time.

I would not want to take advantage of the indulgence of the House, but I have here a lot of documentation which shows that many families still do not have the minimum vital income. Here are the figures for the city of Toronto:

A family earns $50 less than the vital minimum.

On the other hand, the Economic Council of Canada published the following in its report:

Four million Canadians live in poverty.

And then an article in the *La Presse* newspaper states that:

One third of the population of Montreal lives in poverty.

Now, those are figures and quotations that should stir in us a deeper interest in the problem.

We should think of our own underdeveloped. We often hear of those overseas, in Africa, Asia, but we often forget that we can find some, every day, on our own Canadian soil.

Indeed, I agree that we should help underdeveloped countries. I also agree that we should help our own poor even more, to give our country greater social stability, to avoid being faced with deplorable dissention which inevitably harm the national balance and often the harmony and prosperity in our country.

So, while it is still time, we should of one accord endeavour to achieve that objective. That is why I suggest, once again, that the minister consider seriously, while we are at work, the possibility of moving an amendment to make the increase retroactive to the 1st of September and, secondly, of increasing the rate immediately to $20. That would make four months' more allowances to be paid, I know, but if we really want to fight poverty and inflation, if we sincerely want to increase substantially the purchasing power of families, to meet their needs, to my mind we can no longer put it off.

In any event, I shall vote sincerely for Bill C-223; however, if it is amended in the way I have just suggested, if the law allowed me, I would vote three times to approve it.

[*English*]

Clauses 1 to 5 inclusive agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time?

Mr. Knowles (Winnipeg North Centre): By leave, now.

Mr. Lalonde moved the third reading of the bill.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) put us into such a nostalgic mood that I, too, should like to personalize for a moment. He is the father of family allowances and the whip of his party is the recipient of them, at least that is how they put it. I want to recall that when we were dealing with the orange paper and we had visions of $20 a month, I told the minister at the time I was going to give urgent family consideration as to whether I should amend my own personal family planning and endeavour to overtake the Minister of Justice (Mr. Lang) in relation to this $20. Upon careful consideration, and this was purely an intellectual decision as there

were no inhibitions otherwise, I decided not to pursue that course. I might have known that was the right decision, because we do not have the $20 as yet and I would have been misled by the lure, shall we say.

Let me say, as well, that we are happy to have reached this stage. As the hon. member for Bellechasse (Mr. Lambert) has said, the size of the bill is not what counts. Neither does the length of speeches count. Because we have not spoken very much this afternoon or at any great length is not an indication that we are not interested in this bill as much as anyone else. We generally feel, in our party, that once we have spoken on a matter, that is it and we do not have to continue repeating.

Some hon. Members: Oh, oh!

Mr. Macquarrie: I should like to be helpful to the hon. member for Assiniboia (Mr. Knight), the whip of the NDP, in respect of his reference to the hon. member for York-Simcoe (Mr. Stevens). I do not know what his party caucus is like, as I have never attended, but in our caucus we have no gags or guillotines. I might also suggest to him that he might be very well advised to listen to the hon. member for York-Simcoe who has much understanding of the great economic problems facing this country, problems which have not been dealt with adequately by certain parties here.

● (1700)

I am glad that we are passing this bill without amendment because I agree with the hon. member for Winnipeg North Centre that it is a well drafted bill. One of my professors used to say there is a great difference between good English and legal English, and there is an even greater difference between good English and bureaucratic English. I am glad that from a bureau sometimes a bill in good English can emerge. We are not pursuing the debate on third reading. However, I wish to say with candour and without rancour—I have not brought rancour into my discussions in this House in these many years—that if this bill achieves speedy passage, it is not because of the pilotage of the minister but despite it. He opened discussion on this bill with an extremely partisan prelude. It was unwelcome, it was unprovoked, it was unnecessary, it was unhelpful, it was unworthy, and it was also undocumented. I heard it. That is even worse. I was here.

I want the minister to know that when we give a commitment to support a measure, we do so, and that when we want to oppose it, we will jolly well oppose it. I do not take kindly to a suggestion, when we make a commitment on the part of our party, as the minister implied in his smart aleck manner to the hon. member for Hamilton West (Mr. Alexander), that we then change our mind. We indicated our intention. We said we were supporting the bill. If the government ever again is able to produce something with some grain of good in it, we will take the same attitude. It is my hope—I do not wish him personal ill—that he will not be around all that long and that in the days to come we will have better bills and better ministers.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I simply say that we welcome the opportunity to give this bill third reading. We look forward to the

[Mr. Macquarrie.]

House being given the opportunity to proceed with Bill C-211 in plenty of time so that its provision for a family allowance of $20 a month can be in effect in January.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my colleagues and I are very pleased to see that we are now at the final stage of the legislation.

I would like merely to comment on some observations that we heard and I think that if there is unanimity among federal members, the Minister of National Health and Welfare (Mr. Lalonde) will be in a better position to influence his provincial counterparts so that the welfare rates now in force in the provinces—and, as far as I am concerned, in the province of Quebec—will not be reduced to destroy the efforts made at the national level to enable families, particularly those with low or middle incomes, to earn more. I hope that the media will play their part before the consultations between the minister and his provincial counterparts; they should know in advance the position adopted in this House and that should make it easier for the minister.

In fact, as pointed out by the hon. member for Bonaventure-Îles de la Madeleine (Mr. Béchard) a moment ago, that happened in the past and resulted in frictions, jealousy and disagreement which were detrimental to our families.

Because it is an important matter and in view of the goodwill of all parties, I hope the families will indeed get the entire allowance and that there will not be any fishing excursions in the meantime so that they could say: Well we will give the increase within a month, after having reduced it. This should not happen, in view of the emergency of the situation, and I do hope that, as soon as the bill will come into force, we will not read in the press that the allowances have decreased in this or that province.

[*English*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I shall not embark at this stage on an argument or a sermon.

An hon. Member: Just apologize.

Mr. Lalonde: Any citizens who bother to read *Hansard*, are capable of making up their own minds. I wish to thank all members for their support of and contribution to this bill. I am sure Canadian citizens will be grateful to parliament for having given them this measure and for whatever help it will bring to so many Canadian families in the difficult times they are going through. Thank you.

Mr. Deputy Speaker: Perhaps I should draw to the attention of the House that there are other speakers who would be entitled to take part in the third reading debate if they felt they should. I gather there are none.

Motion agreed to and bill read the third time and passed.

CROP INSURANCE ACT

REIMBURSEMENT TO PROVINCES FOR PARTIAL ADVANCES ON CROP INSURANCE PREMIUMS

Hon. E. F. Whelan (Minister of Agriculture) moved that Bill C-129, to amend the Crop Insurance Act, as reported (without amendment) from the Standing Committee on Agriculture, be concurred in.

Motion agreed to.

Mr. Whelan moved that the bill be read the third time and do pass.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I am very pleased to have the opportunity to say a few words with respect to Bill C-129, to amend the Crop Insurance Act. On March 29 the Minister of Agriculture (Mr. Whelan) moved that the bill be read a second time. There was a short debate which did not resume until April 18 when the bill was referred to the Standing Committee on Agriculture. The bill was considered in committee on Tuesday, June 5, and Thursday, June 7, and on the later date the bill was reported without amendment.

The bill was, and is, of considerable importance to all the provinces of Canada in that it provides for the payment of 50 per cent of the premiums paid on behalf of insured persons if no contribution is required from the federal government toward the administration expenses of the provincial plan.

● (1710)

The provinces were very anxious that the bill be passed in order that they be in a position to advertise the plan and to encourage farmers to participate in the program. Despite the fact that the opposition parties indicated that they would not delay third reading, this government did not consider that this bill should have top priority and parliament recessed toward the end of July without the bill having been placed on the order paper for third reading.

As a result, the governments of the three prairie provinces at least underwrote the premiums for the farmers on the assumption that this bill would be passed. I think they deserve credit for their action because the record of the present government is such that to underwrite such a program on the anticipation that the bill would be submitted for third reading and passed is like playing a long-shot at the horse races. The provinces at present are anxiously awaiting the passage of the bill as they are unable to prepare their program for 1974 until they know that the bill has been passed.

On several occasions subsequent to June 8 and prior to the summer recess, questions were put to the Minister of Agriculture to determine when the bill would be submitted to the House for third reading. Despite promises of the minister to bring the bill before the House for third reading, the House recessed without the bill having been considered. I had the privilege of attending in Calgary, as an observer, the western federal-provincial conference. The Minister of Agriculture was also in attendance. I could hardly believe my ears when the minister stated that the bill was delayed and not given third reading because of

the obstruction of the House leader of the official opposition.

Some hon. Members: Shame.

An hon. Member: Did you say that, Gene?

Mr. Whelan: I certainly did, and the record shows the facts.

Mr. Neil (Moose Jaw): The record is fairly clear on what transpired and I think it shows that this party and other opposition parties were prepared at all times.

Mr. Whelan: To give unanimous consent? That is not so, and you know it. You had many opportunities to do it.

An hon. Member: You wanted it passed without debate.

Mr. Whelan: I don't give a damn if you don't pass it. The farmers of Canada want it.

An hon. Member: All of a sudden he is the farmers' friend.

Mr. Neil (Moose Jaw): I think the minister has sufficient experience in the House to know that it is the government and not the opposition parties that decide what business comes before the House.

Some hon. Members: Hear, hear!

Mr. Neil (Moose Jaw): Furthermore, the opposition has no say in determining the order of business.

Some hon. Members: Hear, hear!

Mr. Neil (Moose Jaw): I think the record shows that this party at all times was prepared to give quick passage to the legislation on third reading, and that the delay in passing this bill rests squarely on the shoulders of the government.

Some hon. Members: Hear, hear!

Mr. Neil (Moose Jaw): I think it is important that we understand that the Crop Insurance Act is an act designed to offer the farmer protection against crop loss caused by natural hazards. It is a form of income stability in that it attempts to guarantee to the farmer a portion at least of the cost of production. It is a program that gives some protection to the grain producers on the Prairies. But I would like to point out that it is not a program that gives any protection or guarantee to the producer of livestock, and in this regard I would like to recommend to the minister that consideration be given to widening the program to assist those who are attempting to earn their livelihood from livestock production.

I think it is also important to understand that crop insurance legislation is simply legislation to protect the farmer in the event of an emergency situation. It is legislation which allows the provinces to develop their own plan of insurance with respect to hazards that are covered, the extent of the coverage and the determination of the premiums.

I can only speak for the province of Saskatchewan when I say that a reasonably good plan has been developed

under the umbrella of the legislation which has resulted in a 100 per cent increase in the contracts issued between 1972 and 1973 and an increase in coverage from $29 million in 1972 to $139.8 million in 1973. However, while we welcome this legislation, I repeat what I said previously, namely, that it is legislation only to cover an emergency and unfortunately it is not indicative of an over-all policy on the part of the present government to develop an agricultural program.

A farmer taking out crop insurance can be compared to a merchant taking out fire insurance on his stock-in-trade. It keeps him from going into bankruptcy in the event of a catastrophe. The taking out of fire insurance does not ensure that his business will prosper. In order for his business to prosper he must have a policy that ensures that he will be able to sell his goods at reasonable prices and derive sufficient profit to make a living.

The case of the farmer is similar. The farmer can take out crop incurance to protect himself in the event of an emergency, but he must be in a position to sell the grain and livestock that he produces in order to realize a reasonable profit. The marketing of grain over the past number of years has been in the hands of the Canadian Wheat Board, and therefore the farmer is dependent upon the government to develop a policy of marketing. It is important that the policy take into consideration, not only the short-term but the long-term variables in the market.

Unfortunately, the present government does not seem to have any agricultural policy which would create stability so far as agriculture is concerned. In fact, I question whether it has a policy at all. First of all, we have a situation where the authority with respect to agriculture is divided between the Minister of Agriculture, the minister in charge of the Wheat Board (Mr. Lang), and the Minister of Regional Economic Expansion (Mr. Jamieson). I suggest that until such time as agriculture is dealt with by one minister, we cannot have a co-ordinated policy. What we have at present reminds me of a three-horse team with each horse pulling in a different direction.

First of all, the minister in charge of the Canadian Wheat Board forced the farmer to embark on what was called the Lift program. He not only encouraged but forced farmers to reduce their wheat production in spite of the fact that indicators in the world situation pointed to the fact that there would be a shortage of food in the immediate future. Having cut back on production through fire sales of wheat, the government completely reversed its policy. As a result, the government and the Canadian Wheat Board asked farmers to produce the maximum amount of grain in 1973. In the meantime, due to fire sales of wheat and long-term contracts, farmers have found themselves in the position of having the grain that they have produced being delivered at a very low price at a time when export prices are very high, and they will not receive the benefit of the high world prices, at least not in the 1972-73 crop year, and it is unlikely that they will do so in the 1973-74 crop year.

● (1720)

The same minister who involved the farmers in LIFT earlier in the spring promised a feed grains policy which would be equitable to all grain producers and livestock

[Mr. Neil (Moose Jaw).]

producers in Canada. But the policy was not announced until August and has led to considerable confusion in the minds of many of the western farmers and of the livestock producers throughout Canada, primarily because the minister in charge of the Wheat Board and the Minister of Agriculture have not seen fit to explain the policy fully.

Last week the Prime Minister (Mr. Trudeau) announced a domestic wheat policy. But what has happened to it? Was it really a policy? In three days the minister in charge of the Wheat Board increased the subsidy from $1.25 to $1.75. It appears to me that the agricultural policy of the government is a panic policy. It is time the government, in consultation with provincial ministers of agriculture, farm organizations and farmers developed a comprehensive, long-term policy for agriculture, a policy that will give stability to our agricultural economy.

While we welcome this legislation, Mr. Speaker, and intend to give it speedy passage, it should be made clear that we consider it as legislation for emergency situations only. We do not consider it legislation which is part of an agricultural policy, simply because for this government no agricultural policy exists.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I had thought that the Minister of Agriculture (Mr. Whelan), who is in his seat in the House, would have had something to say about agriculture on this occasion. We have been trying, without too much success, to get the Minister of Agriculture or the minister in charge of the Wheat Board (Mr. Lang) to make some clearcut statements on their policy. We have been trying to do that ever since the House reconvened to deal with the railway strike. Indeed, we asked them to do so before the House recessed for the summer. But again today the Minister of Agriculture has not seen fit to do so.

Recently, the Minister of Agriculture went to Toronto and talked to the mushroom growers. He tore strips off both parties on this side of the House. He could go to Toronto and recite the failings which he chose to attribute to us, but he cannot come into this House and say what the government is going to do. He could not rise from his seat this afternoon and tell us in detail his policies for agriculture.

This afternoon we are talking about a crop insurance bill. My party is wholeheartedly in support of the changes it proposes. So far as I know, the party to my right is also in favour of the bill, even though the minister says it is not. Crop insurance and improvements to the crop insurance program are all excellent. But what about income? I received a letter from the minister the other day. I had written to him asking him to foretell the future of the sheep industry in Canada, particularly in western Canada. There are people in my constituency who put money into the sheep industry. He said in reply that the support price program the government had for wool has failed. If I remember his words correctly, he said it did not serve its purpose. It is no wonder the program did not serve its purpose; the government did away with it. People who put money into raising sheep in my constituency are so disgusted that they are getting ready to quit. That is the situation in Saskatchewan. I do not know what it is in the rest of the country. The wool growers talked to my party, and we know they are a very discouraged group of people.

The minister's reply also pointed out that prices on the open market, so to speak, had gone up in 1973. That is the excuse he and his colleague in charge of the Wheat Board are relying on for not coming forward with positive agricultural policies. They are maintaining an agricultural support price policy of 80 per cent of the average of prices over the previous ten years. Mr. Speaker, that is not a support price policy; it is a disaster. It is useless.

Mr. Whelan: I never said anything about it.

Mr. Gleave: I know the minister did not say anything about it. If I were sitting over there with a support price policy like that, I would not say anything about it either. In his speech in Toronto he said that the opposition had prevented the government from passing its grain stabilization bill. You bet we did, Mr. Speaker. That was a companion piece to the agricultural prices support policy. It would have left the farmers locked into disaster prices. If the minister does not believe that those were disaster prices, let him take the time to read statements made by Gordon MacEachen, president of the Agricultural Economics Research Council.

Mr. Whelan: He is just reading my old speeches.

Mr. Gleave: Then maybe the minister should read some of his own old speeches.

Mr. Whelan: When I want to feel good, I do.

Mr. Gleave: The wheat producer will still be subsidizing the domestic market. If the minister in charge of the Wheat Board could have got away with it, the producer would be subsidizing the domestic market by 75 cents a bushel more than is stated in the minister's latest announcement. I emphasize the minister's "latest announcement" because he has yet to come into this House with legislation or an order in council. This is no way to deal with an industry as important as agriculture which in my province accounts for 75 per cent of its real earning power. I do not think it is good enough for the Minister of Agriculture to make such statements in Toronto as, "The opposition for years has fought every move we tried to make in parliament to establish Canadian agriculture on a sound and solid footing."

The only thing that pulled agriculture out of the doldrums was a world shortage of food. There was a world food shortage, but neither the minister nor his colleagues brought legislation before the House that the opposition could support. It is time we had something better than this type of statement by the Minister of Agriculture.

● (1730)

The statement goes on to say that the opposition parties in the House are playing games, they are playing politics with farmers and with the agricultural industry. If the Minister of Agriculture thought that, why did he not say so in the House? In any event, why did he not come in with an appropriate piece of legislation and put his case before the House? If he thought that the opposition, and my party in particular, had nothing to contribute to the welfare of agriculture, why did he not say that in the House? He has not done that.

At present, the feed grains program is such that prices are satisfying neither the western grower nor the eastern consumer. That policy still hangs in the air, so to speak. There was to be a statement by August 1, then there was to be a statement by September 1, and after that there was to be one by the middle of September. We did have a reasonable feed grains pricing policy at one time, although I do not know what in the world will be left of it by the time the two ministers responsible are through with it.

If the minister thought that the present policy was such a good idea, why did he not try it on soybeans which have increased in price a good deal more than barley and wheat? Dairy farmers and hog producers in my constituency buy soybean meal, even at present prices, to be used as protein. In Saskatchewan, nobody pays the freight bill from Toronto or Altona in order to make meal available to farmers in Saskatchewan. You just pay that kind of freight, and the government is not saying that it will do something about the price of soybeans and subsidize the guy who is feeding livestock in western Canada. Instead of indulging in rhetoric—

An hon. Member: Mushroom rhetoric.

Mr. Gleave: —yes, mushroom rhetoric, the Minister of Agriculture should get down to cases and bring out a program for Canadian agriculture that will put it on a good footing so that farmers may farm with confidence. If the government does that, there will be adequate food supplies for Canadians who, instead of being forced to pay feast or famine prices in the chain stores will, as a result of sound pricing policy, be able to buy food on the shelves at reasonable prices. I suggest in all seriousness that the government bend its efforts along those lines and look at the complete agricultural picture and not just at the little corners where it thinks something must be done.

As far as the crop insurance bill is concerned, I think the minister said that we support it. One can look at the record and see that when the crop insurance changes came before this House, they received the support of my party.

Mr. Whelan: And I said this last night, too.

Mr. Gleave: Yes. Then what in the world is the purpose of making statements like the one to which I have referred?

Mr. Whelan: On the front of the release does it not say "Notes for an address"?

Mr. Gleave: I don't care if these are notes for a speech. It is the whole damn approach I object to.

Mr. Whelan: I could send the hon. member the tapes, if he wants them, and he could listen to them.

Mr. Gleave: Mr. Speaker, I have quoted extracts from these notes which, according to the front of the release, come "from the office of the Hon. Eugene F. Whelan," and so on. As far as I am concerned, the Minister of Agriculture bears some responsibility. If he wants to get up in this House or anywhere else and say that such and such a thing is the case, that is his right. But I suggest that it is not his right to go around—

Mr. Whelan: Well, I suggest that it is.

Mr. Gleave: Yes, perhaps that is his right.

Mr. Paproski: Why don't you two go behind the curtains and argue this out?

Mr. Gleave: But this is irresponsible.

Mr. Whelan: It is not.

Mr. Gleave: I suggest it is irresponsible—

Mr. Whelan: Why does the hon. member not talk about crop insurance? We are here to debate crop insurance.

Mr. Nowlan: If you can quit quibbling, we will get on with it.

Mr. Whelan: You people had a good chance to do that. It could have been passed by unanimous consent on two or three occasions.

Mr. Nowlan: We said we would get on with it.

Mr. Whelan: I don't care what was said.

Mr. Nowlan: Well, we do. What does the record show?

Mr. Whelan: I don't care what the hon. member is saying, as the record shows that they did not take the chance to pass the bill.

Mr. Deputy Speaker: Order, please. I do not know if the remarks of the hon. member for Saskatoon-Biggar (Mr. Gleave) are coming through. There seem to be quite a few interventions. The hon. member for Saskatoon-Biggar has been recognized by Mr. Speaker and he has the floor.

Mr. Gleave: Mr. Speaker, in conclusion, in case there is any question about our position on this crop insurance legislation, let me say that we favour it. It will be a worth-while measure. It will assist to stabilize the income and production of farmers. That is the purpose of the bill. I welcome the opportunity afforded by this afternoon's debate to correct some of the erroneous impressions that have been left in the countryside, and to set the record straight.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I, too, am pleased to participate briefly in the third reading debate on Bill C-129, an act to amend the Crop Insurance Act. I listened with a great deal of interest to the remarks of the hon. member for Saskatoon-Biggar (Mr. Gleave) and to some of the very misleading interjections of the Minister of Agriculture (Mr. Whelan). When the minister speaks I hope his remarks will conform with the record, let alone with the rules of this House.

I was interested in the remarks of the speaker who led off this portion of the debate. The hon. member for Moose Jaw (Mr. Neil), outlining in a general way the purposes of Bill C-129, the crop insurance bill, said that it was to protect farmers against certain natural disasters or natural hazards. As I said, I listened to him with interest. I had read the bill previously but I read it again. The one thing I could not find in the bill was any provision which would protect farmers against one of the worst natural disasters from which they could suffer, namely, the Minister of Agriculture.

[Mr. Whelan.]

Some hon. Members: Hear, hear!

Mr. Nowlan: If the minister would amend the bill and incorporate a provision relating to that natural disaster, I know that we on this side of the House would pass it without further delay because we would be doing the farmers a service.

Mr. Whelan: The record will show what is what.

Mr. Nowlan: The hon. member for Saskatoon-Biggar quoted from the minister's notes for an address to the annual meeting of the Canadian Mushroom Growers Association at Toronto. I think the minister has been speaking too long and too often to the mushrooms and toadstools of the land. He thought he could fool the farmers of the land with the type of remarks he made last night, in just the same way as he tried to fool them with the type of remarks he made in Alberta several months ago when he accused the House leader of my party of holding up this minor piece of legislation, as he calls it. Not only has the minister done a disservice to society; he has insulted the intelligence of farmers of this land because he thinks they cannot see through that type of loose rhetoric.

Mr. Whelan: On a point of order, Mr. Speaker, the record shows that the House was asked for unanimous consent on two occasions to pass this bill and that on at least two occasions that party refused such consent at the instigation of their House leader.

An hon. Member: Right on.

• (1740)

Mr. Nowlan: Someone from the rump or the prices committee, which is almost the rump, said "Right on". Let's leave the prices committee and Beryl Plumptre for those plums on the opposite side who speak about right on.

I want to get to the record before me and to the two committee reports. We had a total of three hours and ten minutes during two days' debate in this House. That involved a total of 13 speakers of which the Conservative Party produced only four. If that is a filibuster, blackmail or non-co-operation, this minister had better get back to the mushroom patches of this land so the farmers can get on with serious business.

I am glad the minister raised his point of order. It was my next point in the natural, orderly, logical sequence of these few remarks.

Mr. Lefebvre: Keep it non-partisan.

Mr. Nowlan: I always do. I always try to keep it objective and conforming to the record, something which members opposite find hard to follow. Bill C-129 was given first reading on January 22, 1973. As the hon. member for Moose Jaw said, it was given second reading on March 29. The debate on that Thursday started at eight o'clock in the evening. There was a total of eight speakers, ten pages in *Hansard*. We know how much *Hansard* is full of loose pages. On that occasion there were three speakers from the Conservative Party, two from the New Democratic Party, one Social Crediter, the minister and one other

Liberal. It is rather remarkable that there were eight speakers between eight and ten o'clock that evening.

The next great hold-up, the next great insult to the farmers, was on a Wednesday. When participating in the debate on April 18, the hon. member for Lisgar (Mr. Murta) said he was disappointed the minister was using this bill as a filler. On April 18, the second and last day this bill appeared in the House of Commons, there was a grand total of five speakers. Those speakers did not begin until after the Minister of National Health and Welfare (Mr. Lalonde) presented his orange paper to deal with the blues of Canadians because they did not have an adequate social program. Members commented on the orange paper. Two committee reports were presented. This was followed by a debate on the Judges Act, debate on the Aeronautics Act, and routine proceedings. There were five speakers, 16½ pages of *Hansard*, on that occasion. This minister who knows mushrooms, and certainly knows tomatoes—

Mr. Whelan: And I know politics and I know what you are doing right now.

Some hon. Members: Hear, hear!

Mr. Nowlan: As the hon. member for Moose Jaw said, in terms of the order of government business, if this Minister of Agriculture had influence in the cabinet he would get the government business affecting farmers on to the floor of the House of Commons in direct relation to the volume of voice he has used to try to bamboozle the farmers across this land. The House of Commons has been meeting since January 4 of this year and we have had a total of 13 speakers on this bill, four of whom were from the Conservative opposition.

An hon. Member: Oh, oh!

Mr. Nowlan: You were not there. You do not know. You are a nice man, and I would not want to involve you in crop insurance or any other type of insurance because you would be a poor risk. Your insurable interest in terms of the life of this parliament may not be that much.

Where did the great hold-up come? Where was the non-co-operation and filibuster? The bill was referred to the Standing Committee on Agriculture, which met twice. On Tuesday, June 5, the committee met for an hour and 18 minutes. It met at 9.44 and at 11.02 it adjourned to eight o'clock the following Thursday, June 7, when the committee considered the bill for an hour and 50 minutes. There have been 13 speakers in the House, and a total of three hours consideration in two committee meetings. Yet the minister is trying to say that the opposition, Conservative, NDP and one independent, has held up this bill. The only thing that has held up this bill in the House of Commons is that in his present capacity the Minister of Agriculture is a voice in the wilderness.

Mr. Whelan: Tell us how fast you passed the veterans affairs bill.

Mr. Nowlan: Although the minister has made some good speeches, telling audiences what they wanted to hear, he does not have the guts to be frank with them about the crop insurance bill. He picked a poor bill about which to say there has been a filibuster.

Mr. Whelan: I did not say there was a filibuster.

Mr. Nowlan: The hon. member for Laval (Mr. Roy) knows what happened in that committee. I am glad to see the chairman of that committee here. He knows full well what happened in committee. The debate on the merits of this bill in committee was not that long because no one protested them. As the hon. member for Saskatoon-Biggar said, it does not pronounce any new policy. In committee, the hon. member for Red Deer (Mr. Towers) introduced an amendment. The chairman ruled it out of order for procedural reasons. It was a money bill and an amendment to an amendment. Then what happened in the great onslaught against the farmers of this land? The committee unanimously passed a resolution put forward by the hon. member for Red Deer. I will not read the entire resolution. It appears in *Votes and Proceedings* for Friday, June 8, and reads in part:

> Your committee recommends that the government consider the advisability of amending the Crop Insurance Act to include provisions for total insurance on a spot-loss basis against actual loss arising from destruction of or damage to a crop or crops, otherwise insured under this act, from one specific hazard in any area or areas in a province.

If I have misconstrued, misinterpreted or been selective in my summary of a very short record on a very small bit that does very little for the farmers of this land, I want the Minister of Agriculture to stand in his place and correct me. It was the effect of that resolution which was unanimously passed in committee that caused most of the debate in committee.

The minister knows full well that whenever the bill was brought forward it was another filler, just as it is today. It was slipped in today because we passed the family allowances bill and a few others previously. The minister is a great fellow, but because of the party to which he belongs we obviously have differences from time to time. However, as a minister of the Crown it was unbecoming of him to maliciously malign the House leader of Her Majesty's Loyal Opposition and say that we held up the insurance bill when he knows full well that whenever the government House leader was asked what we intended to do in this debate he said we wanted to do what I am about to do. The hon. member for Saskatoon-Biggar got close to doing it. We always wanted to have some debate to find out what the minister did with the unanimous resolution of the committee, a resolution that would do something for crop insurance. It would extend the terms of this bill so that the farmers of this land would have a lot more protection from natural disasters, rather than this man-made one. That, Mr. Speaker, is the reason our House leader was not prepared to say, whenever the question came up and the government House leader was looking for a filler; Oh, yes; we will let third reading go without putting up a speaker."

● (1750)

I, like other members who have an interest in agriculture, was amazed, even though one of the ministers of agriculture who is absent doesn't know what the agricultural areas of Canada are, that the minister did not speak first. Perhaps I would not have spoken had he told the House what he was prepared to do about the resolution extending the terms of the Crop Insurance Act so that it would become even more meaningful to the farmers of this

land. He did not do so and all I can say is that it was a disappointment.

I do not intend to hold up the bill any longer. There isn't any objection to it because it doesn't do very much. Whether it is 50 per cent of the premiums, or 50 per cent of the administration and a shift, or if some sections of the country in the west will perhaps benefit a little more monetarily because of the shift from 50 per cent one way to 50 per cent the other way, in terms of Ontario, about which the minister knows a little, certainly in terms of eastern Canada the benefit in dollars to the farmers is really no more than a pittance. It would have been of benefit if the resolution passed by all members of the committee had been attended to by the minister and if he had risen at the beginning of this debate and told us what he intended to do about that resolution.

If he is prepared to do so now, I will sit down. But I still want to say in summary that the minister, as a parliamentarian, has been exposed to the committee on agriculture when there have been many more contentious items before it. The debates may have at times appeared to be a filibuster, for good or evil, depending upon which side of the table you sat on, but certainly the farmers of this land were always the main concern, even if there was a misinterpretation of how you helped them. But he ought not to malign the hon. member for Peace River (Mr. Baldwin) publicly, regardless of what he said to the mushroom growers. And that was sort of apocryphal in terms of the crop; it is a great crop, we love mushrooms and we love mushroom growers. However, I think it is perhaps allegorical that the minister should say now that his notes were out of order. We all read what the press reports quoted him as saying in Alberta about my hon. friend from Peace River, and he knows that when there are 13 members wishing to speak on a farm bill, with two days of debate, a total of 16½ pages in *Hansard*—two pieces of a day—and then only two committee sessions, this is not a filibuster. I expected more from the minister, just as the farmers of the land expect more from the minister by way of crop insurance, support prices and a meaningful agricultural policy they can start to build on rather than keep shifting their gears as the policy of the government shifts.

Some hon. Members: Hear, hear!

Mr. Whelan: Mr. Speaker—

Mr. Deputy Speaker: Order. I think I should draw the attention of the House to the fact that the minister requires unanimous consent if he is to speak at this time, having moved third reading of the measure: that would ordinarily be considered as a contribution. Is it agreed that the minister be permitted to speak?

Some hon. Members: Agreed.

Mr. Knight: On a point of order, Mr. Speaker. I happen to want this bill passed. If the House would agree to sit until about ten minutes after six o'clock I would be prepared to restrict my remarks to about five minutes so that we could get this bill through and benefit farmers throughout Canada. I should like to say a few words on crop insurance, period.

[Mr. Nowlan.]

An hon. Member: Send a letter to the minister.

Mr. Knight: I think I have a serious matter to bring up.

Some hon. Members: Agreed.

Mr. Deputy Speaker: There seems to be agreement on this point. However, I would remind the hon. member for Assiniboia (Mr. Knight) that he is not prevented from speaking after the minister has spoken. However, I have recognized the minister at this point.

Mr. Paproski: Mr. Speaker, I think we should set a time limit and that it should be ten past six.

Mr. Deputy Speaker: Order. I cannot recognize the hon. member, otherwise eminently recognizable, because of his situation in the House.

Mr. Baker: If it is the case that the hon. member is willing to give an undertaking to ensure that the bill will pass, and if a time limit is imposed on the hon. member for Assiniboia as well as on the Minister of Agriculture, perhaps we should agree, if we agree on anything, to extend the sitting to ten after six by the clock opposite, and no longer.

Mr. Deputy Speaker: The Chair is prepared to sit here until Christmas, as far as that is concerned—

An hon. Member: A good idea.

Mr. Deputy Speaker: However, unless the minister indicates that he will finish in time to give the hon. member for Assiniboia his opportunity, I do not see how we can make a decision.

Mr. Whelan: I agree to the suggestion, Mr. Speaker.

Mr. Bill Knight (Assiniboia): Mr. Speaker, I should like to speak about crop insurance. The hon. member from Annapolis Valley (Mr. Nowlan) referred to a motion in the committee. I should like to refer to another. In the committee we recommended to the minister a motion related to crop insurance having to do with the old PFAA fund and what could be done with it. My point is this. A general crop insurance program is in existence in Canada today. The government of Saskatchewan has passed a bill to improve that legislation. Further legislation has been presented by the Minister of Agriculture (Mr. Whelan) to bring about a reduction in the premiums, the only legislation which has been forthcoming from the hon. gentleman.

I wish to point out that there are some areas which crop insurance does not cover. I refer to disasters which affect local regions alone. For example, parts of northern Saskatchewan were flooded this year and for the most part the farmers concerned were not covered by crop insurance. The constituency of Assiniboia experienced serious losses due to grasshoppers in certain municipalities. This caused heavy losses for producers.

The committee recommended that what is left in the old PFAA emergency fund be used as a base for establishing a regional disaster fund, flexible in nature, which could be used in cases of severe damage not covered by crop insurance on a regional or national basis. I said this fund could be called the Whelan regional disaster fund, or anything

else they wanted. It could be used by the municipalities to cover such cases as the grasshopper infestation that I have mentioned. The experts are now saying what they said last year. Last year, when there was a severe outbreak of grasshoppers in my municipality, they said it would be worse this year. And it was. This year it spread through more municipalities and it was more severe. They are saying that next year it will be worse again, that it will be a real problem across the entire west, given certain weather conditions.

A fund of the kind I have mentioned, used with flexibility, could help look after farmers whose crops have been badly damaged by such outbreaks. I wish to thank members of the Standing Committee on Agriculture for supporting that resolution in principle. Many of them were Liberal members, many of them were not even from the west. I wish to thank them, but I was disappointed about two things: first, that the Conservative party should have opposed the use of the PFAA emergency fund, which I found to be unbelievable, because some of them come from the dried-out areas of western Canada and should know of what use that fund has been; and, second—and I intend to be very blunt because I was most annoyed about it as a whip—when the Minister of Agriculture (Mr. Whelan) said that the passing of this piece of legislation to reduce premiums to farmers had been held up because of the Conservative party, he was perfectly right because that is exactly what happened.

Some hon. Members: Hear, hear!

● (1800)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, some question has been raised about why I did not rise when third reading of the bill was moved today. I did not think that I needed to rise. I thought the bill was urgent and that it had waited long enough for passage through the House. The provinces have indicated that they passed their legislation in accordance with this legislation, and did so in good faith because I told them that I thought this House was full of reasonable and responsible members, that the legislation would pass and that they could count on it being passed so they could run their budgets accordingly.

Let me just go over the budgets to indicate just how much it means to the provinces. Take, first, Nova Scotia; the amount is not large, $23,000. The amount for the province of Ontario is over $2 million, for Manitoba over $2 million, for Saskatchewan over $4 million, for Alberta over $4 million. So that is what it amounts to. The hon. member for Annapolis Valley (Mr. Nowlan) referred to it as a minor bill. I said, Mr. Speaker, that it was a small bill, and it is. It is small in content and should not take 13 hours of debate. I can think of other legislation that went through this House, for the veterans of this nation, just like that. That is the way this bill should have gone through for the farmers.

Some hon. Members: Hear, hear!

Mr. Whelan: I sat in this House, as the officials sat in the gallery at different times, waiting for this measure to be passed. We asked time and time again for unanimous consent of the House, and the measure would not have taken five minutes if hon. members had really been serious about what they had said about agriculture. I am not ashamed of one thing that I have said to the mushroom growers of this nation, because they are part of the agricultural scene. What is more, you do not pick them off the ground, you pick them off the trays using ladders, lift trucks, and so on. The hon. member from Annapolis Valley should visit a mushroom plant some day and then he would know what he was talking about.

Mr. Speaker, I had a speech prepared dealing with the recommendations of the committee which I said were good recommendations at the time, and I still think they are. I met with the provincial ministers of agriculture and discussed the very suggestions that had been made by the members of the committee. As I say, I said they were good at the time and I meant it.

In fact, what I should be doing now, instead of wasting my time, is attending a cabinet committee meeting and discussing three agricultural proposals that have been put before the committee. If hon. members want to make politics out of this, then I will make politics also every chance that I get; let me tell hon. members that. I will tell the farmers of this nation that this bill should have been passed straight away, just like that. I am not going to take this sort of guff as Minister of Agriculture. I can put on the table a long list of the things I have done to benefit agriculture, to improve the livelihood of the farmers.

Some hon. Members: Oh, oh!

Mr. Whelan: This insurance bill is just one little step in the direction I think we should be going to help the farmers of this nation. The meetings that we will have with the ministers of agriculture for the provinces and the farm organizations of Canada, which I and the Prime Minister (Mr. Trudeau) have announced, will be discussing many of the things that the serious members of this House want for agriculture.

It really makes me mad sometimes to come to this House and listen to what some politicians and people in the media are saying about food. I appear in defence of agriculture at every opportunity that I get, and I try and get across the facts if I can. I do not use the House as much as I should. But these people say that I have no right to go out and talk to the public. I have every right to do so as Minister of Agriculture responsible for part of the food production of this nation. We have ten provincial ministers of agriculture who are just as responsible.

When there are different programs in different provinces, provinces that are rich and others that are not so rich, for producers who are competing for the same markets, it is a big challenge for a Minister of Agriculture to try to stabilize agriculture in this nation. That is what the meeting to be held on September 27 is to try to do. We have been working on this matter for weeks to formulate something that is realistic and will constitute a program for the consumers and producers of this country so they know what food is going to cost them.

If I had talked last spring, or the minister in charge of the Wheat Board (Mr. Lang) had talked last spring, about what we were going to do for the wheat farmers of the nation, hon. members opposite would have accepted our proposals readily. Ever since I have been a farmer I have

never received $3.25 a bushel for wheat, not up until this year.

We have been asked for a stabilization program. I have had letters from the leaders of every responsible farm organization in this nation asking me to help initiate a program to stabilize agriculture, a program that will give them the same kind of security that everybody else has in every other walk of life who is productive in this nation. That is what these programs will do that we hope will result from the federal-provincial meeting we are going to have at the end of September. We will have a new crop insurance program that I hope includes every good suggestion that members of the House have made.

Some members have made very good suggestions about crop insurance. Others who have been very vocal have not made one suggestion. Since I have been Minister of Agriculture I have asked for suggestions from every one of these members. Every one of them had the right to make suggestions. By God, some of those who come from really good farm ridings in Canada have not made one suggestion. It is similar to what some people say about food costs, "We don't care what you do, but do something." Then when you do do something, they do not like it. Perhaps that is their right, but I ask them to be constructive.

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

Mr. Whelan: As I have said, the suggestions—

Mr. Deputy Speaker: Order. The hon. member for Red Deer (Mr. Towers) is rising on a point of order.

Mr. Towers: Mr. Speaker, my point of order is this. When suggestions were made to the minister, he did not accept them; and that is exactly why we did not want to pass the bill without a unanimous decision. We wanted to ask the minister specifically what he was going to do about the suggestions we had made.

Mr. Deputy Speaker: That is more a point for debate than a point of order.

Mr. Whelan: If the bill had come before the House when we asked for unanimous consent, I would have told hon. members exactly what I am telling them now. There will be more proposals presented to the House later in the session in regard to the very matters I am talking about now. However, I must have the concurrence of certain parties in regard to a crop insurance program, principally the provinces. I must also have some input from the farm organizations. I have had some input from them already by way of certain resolutions they have passed.

These are all being considered and formulated and they will be presented along with other programs to make agriculture what all farmers in Canada are dreaming of, not something with which to gouge the public or that goes up and down like a yo-yo. This new program will be something that gives them stability. It was something that we presented to the House in principle over a year ago. I am not saying that it is perfect, but it is what was asked for in Charlottetown and what was asked for in Calgary, and it is what we are going to be presenting to them in September.

Mr. Deputy Speaker: If it is the will of the House, I shall put the question.

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Motion agreed to and bill read the third time and passed.

Mr. Deputy Speaker: Is the hon. member for Winnipeg North Centre (Mr. Knowles) rising on a point of order?

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker. If we were to reach government business tomorrow, is there anyone present who can tell us what it will be?

Mr. Lalonde: Mr. Speaker, I understand the order tomorrow will be, first, second reading of the Canada Pension Plan amendments, followed by the amendments to the Parole Act.

Mr. Deputy Speaker: Order. This House now stands adjourned until two o'clock p.m. tomorrow.

At 6.12 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, September 13, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

ANNOUNCEMENT OF AGREEMENT WITH QUEBEC TO REDUCE PRICE OF FLUID MILK TO CONSUMER BY FOUR CENTS

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, hon. members will recall that on September 4 the Prime Minister announced that a consumer subsidy would be paid on fluid milk in those provinces where it was possible to obtain an agreement which would contain and roll back prices to consumers.

I am pleased to be able to announce that negotiations have been completed with the province of Quebec. As a result, the price of fluid milk in the province of Quebec will be reduced by four cents effective Monday, September 17, from the previously announced level which would have been in effect on that date had this agreement not been reached. This means that in the absence of the federal subsidy the base price per quart for fluid milk to the consumer in the province of Quebec would have been 38 cents per quart effective September 17. However, as a result of the agreement the base price will be 34 cents per quart.

It will be appreciated that prices will vary from the base price of 34 cents due to container size, fat content, etc., but irrespective of this the four cents per quart roll-back will apply.

The difference between the five cents per quart federal subsidy and the four cent roll-back in price will be used by the provincial authorities to cover, in part at least, cost increases for the next year.

The agreement further provides that this price will remain in effect for a period of 12 months subject only to the reopening of discussions between ourselves and the Quebec authorities should unforeseen or extraordinary cost changes take place.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, although this announcement will be good news for consumers in the province of Quebec, it has some rather interesting implications and establishes some principles. In spite of the government's protestations that it is totally against price controls on wages, food or incomes, the action of the government amounts to selective price control, freezing the price of milk to consumers for a 12-month period. It can be considered in no other light than absolute price control. Listening to the announcement made by the minister today, one can only assume that this is one more panic action on the part of the government in the face of the high price of food.

The weaknesses in the policy announced by the minister are twofold. First, the consumer price is fixed with the result that the price the producer will receive is locked in regardless of input costs. The very fact that this agreement covers a 12-month period shows there is no room left for the farmer or primary producer with regard to costs. What this country needs today are incentives to produce. There can be no incentive in a policy that locks the price of the primary consumer—

Some hon. Members: Oh, oh!

An hon. Member: Do you want higher prices?

Mr. Danforth: —which locks the price to the consumer at the expense of the producer.

Mr. Sharp: What is a freeze?

Mr. Bell: You don't understand it.

Mr. Danforth: The other primary weakness my colleagues see in the program is that it is not applicable to any province that does not have a board or marketing scheme or milk committee, since it has to be administered at this level. Second, some provinces have already established a milk policy for a 12-month period, and again this program will not be applicable.

(1410)

So we not only have the fact that price control has been initiated, but today various provinces in the country will be receiving different rates of subsidy and different amounts of money for the production of the same commodity. I think the agricultural community and the farm organizations are right in their absolute rejection of such a policy.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, we spent some considerable time in deliberations in the committee on trends in food prices which was set up by the House and as a result of those deliberations we then set up the Food Prices Review Board. Any member of the House who sat on that committee, as I did, must surely realize that the consumer must be given some protection in regard to food prices. I have argued within my own party—and I am a farmer—that in regard to basic foods on which families depend, such as milk, bread and the essential proteins, it is part of the responsibility of this parliament to see that children and families are adequately cared for.

The government has moved, however belatedly, to try to stabilize the price of milk so it will not rise above its

present level. Anyone familiar with the farming scene knows that in order to do that the government must reach agreements with the provinces that have milk marketing boards, since fluid milk is controlled by those boards. How good these arrangements are is going to depend to a very great degree on the types of agreements the Minister of Agriculture (Mr. Whelan) makes with the various provinces. We suggest that as a minimum these agreements must include a provision making them valid for at least one year and they must take into account the increasing cost of production that every milk producer in the provinces of Canada is facing.

In this regard the minister says that the difference between the five cents per quart federal subsidy and the four cents per quart roll-back in price will be used by the provincial authorities to cover, in part at least, cost increases for the next year. I think the question arises, who is going to carry the rest of the cost?

In the agreements that the minister negotiates with other provinces it had better be made clear that the federal government will carry those increased costs. It would be absolutely unfair if the Minister of Agriculture, in attempting to ensure to the Canadian consumer a reasonable price for milk, in any way unloaded some of the cost of subsidization on provincial administrations. That is not and should not be their responsibility. In all future negotiations this should be a prime responsibility of the federal government.

I say again that my party believes this kind of approach must be taken in respect of essential foods. We believe the prime responsibility of the Food Prices Review Board must be to make recommendations to the House and the government regarding the means by which we can protect the consumer against unreasonable price increases.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I want to thank the Minister of Agriculture (Mr. Whelan) for having sent us a copy of his statement in French and in English and I commend him for this. What I recognize as not so valuable is the fact of going through it after the opening of this sitting. This did not leave me enough time to consider its content.

However, Mr. Speaker, I want to say that, at the Department of Agriculture, they are more conscious of the fact that the rights of dairy producers must be recognized, that some production costs are increasing and that if we want enough dairy producers to remain in business in order to supply all people, it is time to ensure that they may get an income enabling them to stay in business.

I welcome the fact that the new policy coincides precisely with the philosophy which we have often propounded in this House, that on the one hand producers should be assured of prices related to the cost of production, plus a profit margin allowing them to live decently, and that on the other hand the paying capacity of consumers has to be taken into account. We were advocating a compensated discount on Canadian products to enable consumers to buy them at a lower price and producers to make a greater profit.

Now on August 22, 1973, the Quebec producers of whole milk presented a petition to the Quebec Agricultural Marketing Board requesting an increase of $1.25 per hundredweight in the price of whole milk. The board gave a decision, an order was published, and producers benefited from an increase of $1.05 per hundredweight, but consumers, due to the present system, had to pay three cents more. As everyone must know that there are 40 quarts of milk in 100 pounds, this would mean an increase of $1.20 per hundredweight for the consumer. The distributor of whole milk therefore automatically gets an increase of 15 cents per hundredweight without any effort on his part. He receives this increase thanks to the work of milk producers.

Last week, the Prime Minister (Mr. Trudeau) announced a new policy stipulating payment of a discount of five cents per quart of milk, in order to grant a price reduction to the consumer while recognizing that the producer needs more. If my figures are correct, this means that from now on milk will cost Quebec consumers 34 cents a quart. This means that in addition to the 15 cents that the milk distributors will receive according to the order issued by the Agricultural Marketing Board, they will get another one cent a quart, which surplus should normally go directly to the consumer so that he may benefit from the five-cent increase.

And so, I must say to the Minister of Agriculture that with this new policy we are embarking on a new course. Milk was a start; I trust this will continue with other foods. I merely wish to add this: The situation must be watched closely to see that the consumer is really protected, that he really benefits from the efforts the federal government is now making to reduce food prices. If this is not done, and if no one is specially assigned to this task, we will discover, at some point or other, that there are still "bloodsuckers" who take advantage of those subsidies intended for the consumers and who will rob them of that help.

I congratulate the minister on his statement. He is on the right track, and I hope we will continue in that direction to finally solve the problem of food prices. I hope the Food Prices Review Board will follow the example of that policy and do its duty, so that in the case of all food products we can at long last be assured there will not be thieves who speculate on food prices to the detriment of the consumers and primary producers.

* * *

● (1420)

[*English*]

FOOD PRICES

SECOND REPORT OF SPECIAL COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, pursuant to Standing Order 43 I wish to propose a motion of urgent and pressing necessity arising from the publication this morning by Statistics Canada of the consumer price index for the month of August—

Some hon. Members: Oh, oh!

Mr. Penner: —which shows an over-all increase of 1.3 per cent for that month, including an increase in the total food index of 3.2 per cent.

Since the hon. member for St. John's East (Mr. McGrath) has not proceeded with a similar motion, notice of which has stood in his name for some time, I ask the unanimous consent of the House to move, seconded by the hon. member for Nipissing (Mr. Blais):

That the second report of the Special Committee on Trends in Food Prices, presented to the House on July 25, 1973, be concurred in.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The motion proposed by the hon. member requires the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Who said "no"?

An hon. Member: It was over there.

Mr. McGrath: I rise on a point of order, Mr. Speaker. I refused unanimous consent to proceed with this motion because we intend to proceed with it in due course. In the meantime we did not want to proceed with the motion today so that the country would know that this government is bankrupt of ideas to deal with inflation.

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege affecting the privileges of all members of the House.

Some hon. Members: Oh, oh!

Mr. Nielsen: They do not care about that judging from the derision over there. It is an abuse of the rules and procedures of the House for an hon. member on the other side of the House to get up and propose a motion which he knows is clearly out of order by reason of the fact that there is another motion in precisely the same terms on the order paper now.

* * *

EXTERNAL AFFAIRS

CHILE—OVERTHROW OF GOVERNMENT BY MILITARY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the tragic and deplorable suspension of the democratic process as a result of military terrorist activities in Chile I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That the Canadian government refuse recognition of the Chilean military junta and forthwith withdraw any financial or other support which this government presently provides.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

UNEMPLOYMENT INSURANCE

ADVISORY COMMITTEE REPORT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the hope that the law of averages is in my favour I present the following motion under the terms of Standing Order 43. I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That the Minister of Manpower and Immigration be asked to table as soon as he receives it the report of the Unemployment Insurance Advisory Committee on its study of the benefit control operations of the Unemployment Insurance Commission from the viewpoint of unemployment insurance recipients.

Mr. Speaker: The motion proposed by the hon. member for Winnipeg North Centre also requires the unanimous consent of the House as it is proposed under Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

Mr. Andras: Mr. Speaker, I rise on a point of order. As the minister responsible I would be perfectly agreeable, but in any case I would assure the hon. member that it is my intention to table this report as soon as I receive it.

Mr. Speaker: Order, please. That is hardly a point of order. What is required is not the consent of the minister but the unanimous consent of the House.

* * *

FAMILY ALLOWANCES ACT

On the order: Introduction of Bills:

July 19, 1973—Mr. Stackhouse—Bill intituled: "An Act to amend the Family Allowances Act".

Mr. Speaker: When the notice of introduction of the bill proposed by the hon. member for Scarborough East first came up last July 23, the Chair expressed some concern about the regularity of the bill. Yesterday it seemed that the hon. member concurred in my suggestion that this bill touched upon the prerogative of the Crown in relation to expenditure from the Consolidated Revenue Fund.

The purpose of the bill, as indicated in the explanatory note, is to provide for the payment of family allowance benefits to a group or class of children not covered at present under the terms of the Family Allowances Act. A bill, or an amendment to a bill, cannot propose the expenditure of funds without a recommendation of the Crown. Since the hon. member's bill is not accompanied by a

recommendation of the Crown, it cannot be put to the House at this time.

I refer the hon. member to Citation 249(1) of Beauchesne's Fourth Edition. The principle explained there is further confirmed by Citation 250 as follows:

"If any motion, or bill, or proceeding is offered to be moved, whether in the House or in a committee, which requires, but fails to receive, the recommendation of the Crown, it is the duty of the Chair to announce that no question can be proposed upon the motion, or to direct the withdrawal of the bill."

Judging from the comments made yesterday by the hon. member for Scarborough East, including his reference to discussions which he has had with the Minister of National Health and Welfare, I take it he is in agreement that the bill should be removed from the order paper.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

THE CANADIAN ECONOMY

INCREASES IN COST OF LIVING AND INTEREST RATES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I ask leave under Standing Order 26 to move the adjournment of the House for the purpose of discussing the uncontrolled inflationary pressures exemplified by the cost of living figures released by Statistics Canada this morning, combined with the increase in interest rates announced yesterday. I make this motion as the most appropriate way in which to get these emergencies before the House.

● (1430)

Mr. Speaker: The hon. Leader of the Opposition has given the Chair the notice required under Standing Order 26. I have also received a notice from the hon. member for Oshawa-Whitby (Mr. Broadbent), which reads as follows:

Mr. Speaker, I ask leave, seconded by the hon. member for Toronto-Lakeshore, to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely the record level of Canadian interest rates, particularly in mortgages, which will be seriously aggravated by the announcement that, effective today, the Bank of Canada's prime rate will be increased by a further one half of one per cent, and the urgent need for the government to take corrective action.

Obviously there cannot be two motions before the House at the same time. Since the motion sponsored by the hon. Leader of the Opposition is proposed in broader terms and includes specifically the matter suggested for discussion by the hon. member for Oshawa-Whitby, and taking into account also the special position in the House of the hon. Leader of the Opposition, I would propose that if one of these two motions is to be put and debated preference should go to the motion proposed by the hon. Leader of the Opposition.

Some hon. Members: Hear, hear!

[Mr. Speaker.]

Mr. Speaker: Of course, at this point I am only referring to the priority of the motions if one were accepted.

The conditions and circumstances which have to be taken into account by the Chair are set out in section 16 of Standing Order 26. It has often been said that the matter proposed for debate under Standing Order 26 must be in the nature of a genuine emergency or a sudden emergency. This is why, on a number of occasions, the Chair has hesitated to put a motion founded primarily on the regular monthly reports of Statistics Canada. I am sure hon. members are in agreement with this general interpretation of the Standing Order. At the same time, I recognize that there are in this instance special circumstances to justify an emergency debate which would take into account the statistical report on which the hon. Leader of the Opposition has based his motion.

I am therefore disposed to put the motion which stands in the name of the hon. Leader of the Opposition on the understanding that the scope of the debate will encompass the subject matter proposed by the hon. member for Oshawa-Whitby who would in this way have a special position in the debate. If the hon. member for Oshawa-Whitby sees no procedural objection to this—I would assume there is not very much he can do about the situation—with leave of the House I would suggest that the motion be set down for consideration at eight o'clock this evening, pursuant to section 9 of Standing Order 26.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

COST OF LIVING AND INTEREST RATE INCREASES—NEW GOVERNMENT MEASURES TO CONTROL—POSSIBILITY OF NEW BUDGET

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the Minister of Finance—

Some hon. Members: Oh, oh!

Mr. Stanfield: Hon. members opposite can make a racket in the House, Mr. Speaker, but it is too bad they cannot do something about inflation.

Some hon. Members: Hear, hear!

Mr. Stanfield: I would like to ask the Minister of Finance whether, in view of the increase in the monthly cost of living index at the rate of about 15 per cent on an annual basis and ranging right across the spectrum, including the rise in interest rates, he proposes to put any new measures before the House today to bring this situation under some control?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the figures that were published today reflect the situation in the reference week, the first week in August, a situation that became very apparent to the public, to parliament and to the government. As a result of the rise in the cost of living, particularly the rise in food prices,

two announcements were made by the government, one on August 13 and one on September 4, involving public expenditures of the nature of $320 million and requiring the legislation enacted this week in the House. Therefore I want to say to the hon. gentleman that the government has already responded to the factual situation reflected in this report by Statistics Canada a month after the fact.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): We have presented measures to the House that get to the essential problem of inflation, which is the world-wide imbalance between the forces of demand and supply.

Mr. Speaker: Order, please. The minister may wish to keep some of his ammunition for some of the supplementaries.

Mr. Stanfield: The trouble, Mr. Speaker, is that he has no ammunition.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Drury: Come on, Bob: we want more of these questions.

Some hon. Members: Hear, hear!

Mr. Stanfield: Listen to them howl, Mr. Speaker. Now that the minister has indicated that he has no new proposals to present to the House today I would like to ask him whether, in view of the increase in the bank rate and the very alarming figures on the cost of living, he is reviewing his announced decision that he has no intention of introducing an early budget? Will he now bring a budget before the House with a full review of the situation, or are we to assume that the current rate of inflation and the current level of bank interest rates were foreseen by the minister at the time of his February budget and everything is going according to what was predicted by him?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. gentleman may express himself to be surprised by the figures published today.

An hon. Member: You are not?

Mr. Turner (Ottawa-Carleton): No, the government is not surprised.

Mr. Crouse: Then tell us about next month.

Mr. Turner (Ottawa-Carleton): Those facts which are crystallized in statistics today were evident to the Canadian people and the government early in August. We reacted on August 13 and September 4. As a matter of fact, the government had already launched its counter-attack a month or so ago against the inflation represented by the figures released today.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, since everyone agrees that the measures announced by the government constitute nothing more than a popgun approach, I would like to ask the Minister of Finance whether, in view of the outlook for wage negotiations based upon the expectation of continuing rises in prices and reflected now in rising prices and the continuing spiral, he has any measures to announce today other than the increase in the rate of interest designed obviously to produce slack in the economy?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, there is no slack in the economy, an economy that has been growing for the first six months of this year at an annual rate of 9.4 per cent. Further, I want to say to the hon. gentleman that his questions reflecting the publication of statistics today, are about four weeks out of date. The government has already reacted.

FOOD PRICE INCREASES—SUGGESTED IMPOSITION OF EXCESS PROFITS TAX ON CORPORATIONS

Mr. David Lewis (York South): Mr. Speaker, I want to address a supplementary question to the Minister of Finance and another one, if you will give me the chance, to the Prime Minister. In view of the fact there is an immense increase in profits particularly in the area of the food industries, increases of 200 per cent and over 100 per cent in many cases, is he giving consideration to imposing an excess profits tax to make it unpalatable for corporations to gouge Canadian consumers?

● (1440)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to say to the hon. member that we are analysing the profit margins of the food industry. I want to say to him also that I recall his own words in the debate in the House last week that an excess profits tax, while it might give some satisfaction in terms of equity and justice, will not solve the problem of inflation. I am looking very seriously at all the options available to the government.

FOOD PRICES REVIEW BOARD—SUGGESTED EXTENSION OF JURISDICTION TO COVER ALL PRICES WITH POWER TO ROLL BACK UNJUSTIFIED INCREASES

Mr. David Lewis (York South): Mr. Speaker, I hope that the serious study by the Minister of Finance—and I accept his word that he is doing it—will induce the Prime Minister to answer my question affirmatively. In view of the fact that the very huge increase in profits in many areas, not only in food but in other areas, indicates clearly a deliberate situation where corporations are taking advantage of the present crisis which they have themselves partly produced at the expense of the consumer, is the Prime Minister now prepared to introduce legislation to give the Prices Review Board jurisdiction over all prices instead of merely food prices and also authority to roll back unjustifiable price increases?

Right Hon. P. E. Trudeau (Prime Minister): At this time, Mr. Speaker, I have no announcement to make in this regard.

[*Translation*]

Mr. Speaker: Does the hon. member for Portneuf wish to put a supplementary?

Mr. Roland Godin (Portneuf): No, Mr. Speaker.

Mr. Speaker: The hon. member for Shefford.

INCREASE IN BANK INTEREST RATES—REQUEST FOR GOVERNMENT INTERVENTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to direct a further supplementary to the Minister of Finance.

Can he tell us to what level he intends to let the bank interest rate rise before taking steps to be implemented by the Bank of Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I cannot answer the question of the hon. member asked in these terms.

[*English*]

INFLATION—POSSIBILITY OF IMPLEMENTATION OF GOVERNMENT CONTINGENCY PLAN—STEPS TO STIMULATE PRODUCTION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the right hon. Prime Minister. As the program which the right hon. gentleman introduced last week contained no provisions for dealing with the basic causes of inflation but simply introduced measures to allow certain Canadians more easily to pay the higher prices brought about by inflation, does the government consider now that inflation has reached a sufficiently high point to justify bringing in the contingency plan which for many, many months the government has announced to the House it has ready for dealing with inflation when it reaches a sufficiently high point?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, because I cannot agree with the premises of the question, the short answer is no. The hon. member should realize that, contrary to what he stated in the premise, we are dealing with the causes of inflation—

Some hon. Members: Oh, oh!

Mr. Trudeau: —when we are dealing with the question of supply. The cause of inflation, in the view of the government and in the view of analysts, is shortage of supply. For that reason the measures we have announced in July, August and September are meant to deal with this aspect of the problem.

Mr. Hees: As the Prime Minister has announced that the basic cause of inflation is shortage of supply, would he advise the House now what steps the government has taken to stimulate production in many or in all of the lines where production is short and prices have been rising very rapidly, as all prices in Canada recently have been rising very rapidly indeed?

Mr. Speaker: Order, please. I wonder if the hon. member would not agree with me that the question he is asking now is very wide in scope and that he is inviting either the Prime Minister or the minister to make a statement which normally ought to be made on motions.

Mr. Hees: Would the Prime Minister take the first opportunity on motions to advise the House what steps the government has taken to stimulate production in the lines where prices have been rising at exorbitant rates in the past few weeks and months?

Mr. Trudeau: Mr. Speaker, I think it would be sufficient if I were to send the hon. member a copy of my statements of August and September. He would then see that an important aspect of those announcements is the aspect of supply. I am not surprised that it has escaped the hon. member's attention, Mr. Speaker, when a spokesman for the Conservative party has just rejected a moment ago our approach of subsidizing the milk consumer at the same time as we are permitting the producer through the marketing board in his province to settle the problem of supply to his satisfaction.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Hees: I have read all your statements very carefully and there is nothing in them indicating that the government intends to stimulate production in any of the fields seriously affected by inflation.

Mr. Speaker: Order, please.

INFLATION—INCREASE IN MONEY SUPPLY AS FACTOR

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. Would the minister please explain to the House why the government is continuing to increase the money supply while it increases the rate of interest seeing that no one anywhere, except apparently the government, thinks it is a positive anti-inflation measure?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the interest rates changes, the raising of the prime rate of the banks and the bank rate by the Bank of Canada reflect two phenomena. The first is an extremely strong expansion of credit in the country resulting from expansion in the economy and the second is a widening of the gap between interest rates in Canada and those in the United States and Europe. Because of those two forces, short-term rates in Canada could not be restrained because money was flowing out of the country seeking a better return elsewhere and restricting the capital market in the country, and of course there was pressure on the exchange.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Don Valley on a supplementary followed by the hon. member for Oshawa-Whitby.

Mr. Gillies: Is it the position of the Minister of Finance that the 50 per cent increase in the money supply in the last three years has not been a major factor in the inflation that has taken place in this country?

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the monetary supply has been expanding only at a rate to accommodate the expansion in the economy—

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): —and certainly the hon. gentleman's question is not consistent with his earlier—

Some hon. Members: Oh, oh!

An hon. Member: Sit down!

Mr. Speaker: Order, please. The minister is having some difficulty—

Some hon. Members: Hear, hear!

Mr. Speaker: —in being heard in the House because of the noise coming from different parts of the chamber. I would remind hon. members that there are only 40 minutes for the question period and if 20 are taken up with shouting and applause and cheers and jeers that will considerably reduce—I estimate by approximately 50 per cent—the length of the actual question period. Perhaps the minister might be allowed to reply briefly to the question, after which I shall recognize the hon. member for Oshawa-Whitby.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I was saying that certainly the hon. gentleman's question is not consistent with his earlier remarks that there was tight money in the country. I wish he and members of his party, including his leader, could determine whether they want a tight money policy or an expansionary money policy.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Would the hon. member resume his seat. I appreciate that the hon. member is anxious to continue the interesting debate he is having with the minister, but I would remind hon. members that a motion under Standing Order 26 has been accepted by the Chair for the purpose of having a debate this evening. I know that all hon. members are anxious that we proceed with this debate at eight o'clock this evening and would not want all the questions asked and all the answers given during the question period.

INFLATION—SUGGESTED SEPARATION OF MORTGAGE INTEREST RATES FROM OTHER INTEREST RATES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Finance. While it may make sense to have a tight money policy to deal with inflation in general, it makes no sense to keep mortgage rates as part of that interest rate market situation because they affect housing primarily. May I ask the minister if he and his officials have given any consideration to changing the Bank Act or taking some other course of action which would separate mortgage interest rates from other interest rates in Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I may be able to deal with that more fully this evening. But in answer to the hon. gentleman I want to say specifically that yesterday the rate for certificates of deposit, that is to say, the rate which banks pay for money in order to obtain money to lend in turn, increased by one per cent. Against that, the bank rate increased by three-quarters of one per cent and the bank rate for loans under $200,000, namely, loans for small businesses in particular, increased by only one-quarter of one per cent. The banks have given me an undertaking that the mortgage rate will not be raised and that a reasonable flow of money will continue to obtain in the mortgage market. In other words, the banks have recognized, in reply to a request from the Minister of Finance, recognizing the healthy profits of the banks at the moment—

● (1450)

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby will be recognized for a supplementary. In fairness, following that I think the hon. member for Portneuf should be recognized, and I will recognize later the hon. member for St. John's East and the hon. member for Calgary North.

Mr. Broadbent: I accept that a guaranteed 10 per cent mortgage rate is not much help to Canadian home purchasers. In view of the rest of the minister's answer about guarantees from the chartered banks to provide loans for small businessmen and so on, will he advise whether he has obtained from the chartered banks a statement outlining in percentage terms the allocation of funds they intend to make to small businesses and so on? If so, will he present that to the House?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I just want to say, if I might, by way of preamble—

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): —that it is one thing for Your Honour to allow a very wide-ranging question. It is another thing for Your Honour to allow me to reply distinctly and specifically to that question.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I was saying that in view of the healthy state of bank profits the banks have agreed to narrow their margin on loans from one per cent to three-quarters of one per cent and to narrow their margin on small business loans under $200,000 from one per cent to one-quarter of one per cent.

Mr. Speaker: Order, please. In spite of the comment or admonition of the Minister of Finance, I still feel his answer is in the form of a statement that ought to be made

on motions. I appreciate fully his point that if a general question is asked it is very difficult to be brief in attempting to reply. Hon. members should bear in mind that when they ask questions that are general in terms it invites the kind of reply the minister has attempted to give. Hon. members might reserve these long questions and debating points until the debate which is to take place this evening. Perhaps at that time the minister might make whatever comments he is trying to make now. The hon. member for Oshawa-Whitby rises on a point of order.

Mr. Broadbent: Mr. Speaker, my point of order concerns the statement made by the minister. The information I asked for did not require a general statement. I asked whether the minister had obtained certain information from the banks and, if so, whether he would table that information in the House. Surely that requires only a simple yes or no answer.

Mr. Speaker: That is hardly a point of order. I think it would be the consensus of hon. members that we try to go on to the next question. I indicated a while ago that the Chair would recognize the hon. member for Portneuf on a question that is not supplementary. He will be recognized, following which I will return to the hon. members I referred to a moment ago.

* * *

[*Translation*]

GRAIN

ALLEGED RESALE OF CANADIAN WHEAT BY RUSSIA TO EUROPEAN COUNTRIES—REQUEST FOR INVESTIGATION

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to put a question to the minister responsible for the Canadian Wheat Board.

Since the USSR is reselling to European countries the wheat purchased in Canada, can the minister inform this House what is the resale price of this wheat?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there have been press reports of sales of wheat by Russia, but I have no knowledge of them. There has been no identification of the source of that wheat. It could very well be American wheat.

[*Translation*]

Mr. Godin: Mr. Speaker, I have a supplementary question.

Can the minister give us the assurance that he will take the necessary steps to ascertain the extent of this traffic?

[*English*]

Mr. Lang: Mr. Speaker, as information becomes available I will be glad to make it available to the hon. member.

[Mr. Speaker.]

THE CANADIAN ECONOMY

MORTGAGE INTEREST RATES—EFFECT ON RENTS AND COST OF HOUSES—MINISTER'S POSITION ON BANK OF CANADA POLICY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, having listened to the answers of the Minister of Finance may I ask him whether he is in agreement and accord with the Bank of Canada increasing the bank rate by a whopping half of one per cent to 7½ per cent, the fifth increase in the lending rate since April, putting mortgage rates now between 10 and 12 per cent and making rents impossible to pay for the average man and houses impossible to buy?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. member is just not correct. In their announcements the banks said they had no present intention of raising the mortgage rate. Therefore the spread between what the banks pay for money and the interest rate they are charging on mortgages has diminished in terms of spread by one per cent. The banks have given me an undertaking there will be no rise in the mortgage rate.

Some hon. Members: Hear, hear!

Mr. Woolliams: In view of the fact the minister is on record as saying when the monetary policy of the Bank of Canada is in conflict with the monetary policy of the government the government will intervene, does he endorse, as I take it from his answer today, the tight money policy of the Bank of Canada?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I wish the hon. member would get together with his colleague, the hon. member for Don Valley.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): If an expansion of the money supply by 15 per cent and an expansion of bank loans by 24 per cent is tight money, I wish they would reconcile the two definitions.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Don Valley rises on a point of order.

Mr. Gillies: As usual, the Minister of Finance has completely misinterpreted our position.

Some hon. Members: Hear, hear!

Mr. Gillies: The point I made, and this was quite clear in my first question, is that a policy of raising interest rates and increasing the money supply at the same time is highly inflationary and will not work to solve the inflation problems in this country.

Some hon. Members: Hear, hear!

Mr. Speaker: That is debate rather than a point of order. The hon. member for Calgary North has a supplementary.

Mr. Woolliams: The hon. member for Don Valley answered my question, Mr. Speaker.

Some hon. Members: Oh, oh!

FOOD PRICE INCREASES—SUGGESTED IMPLEMENTATION OF GOVERNMENT CONTINGENCY PLAN

Mr. James A. McGrath (St. John's East): Mr. Speaker, I suggest to the Minister of Finance that he and the government should get together with the people of Canada.

Some hon. Members: Hear, hear!

Mr. McGrath: My question is for the Prime Minister. In view of the fact the 3.2 per cent increase in the cost of food, representing a 16.2 per cent increase over a year, exercises its greatest hardship on low-income Canadians, and in view of the fact high interest rates hurt low-income Canadians most, does the government still have a contingency plan? If so, will the government now proceed with implementation of that plan?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. I certainly share the concern of the hon. member for people on low incomes. However, it is still a source of puzzlement to me that the hon. member's party, through its official spokesman, rejected the subsidy on milk for consumers to help people on low incomes.

Some hon. Members: Hear, hear!

● (1500)

Some hon. Members: Oh, oh!

Mr. Bell: That is not true.

Mr. McGrath: On a point of order, Mr. Speaker, the Prime Minister has completely misrepresented the stand taken by this party.

Some hon. Members: Oh, oh!

Mr. McGrath: In light of the substantial increase in the cost of living, I can only suggest to the Prime Minister and his colleagues that their conduct is shameful.

Mr. Speaker: Order. I am not sure whether hon. members expect the Chair to rule on all these points of order which I suggest are not points of order at all. Hon. members are obviously anxious to have a budget debate or a debate on the general issue during the question period. Our rules are not attuned to this kind of confrontation. I would invite hon. members to try to respect the rules and the generally accepted procedure during the question period. I am sure this would facilitate matters for all members who wish to participate in the question period.

Mr. McGrath: May I ask the Prime Minister, by way of a supplementary, whether, in light of the figures released today by Statistics Canada, he is now prepared to reconsider the decision he made yesterday and appear before the Special Committee on Trends in Food Prices so that its members might have an opportunity to examine the right hon. gentleman on the policy he has put forward to deal with inflation?

Some hon. Members: Oh, oh!

Mr. Trudeau: I have already written a letter in reply to the chairman of that committee. I hope it has been received by now and I hope he will find it a satisfactory reply in view of the precedents in Canada.

* * *

ENERGY

OIL—REQUEST FOR DETERMINATION OF JUSTIFICATION OF PRICE INCREASE—POSSIBLE GOVERNMENT ACTION TO ROLL BACK

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. In view of the fact that one of the items contributing to the increased cost of living during the month of August was fuel for home heating, and in view of the fact that this probably related to the increase of 40 cents a barrel for oil commencing August 1, I want to ask the minister whether his department has made any study to determine whether that increase, the fourth in the last nine months, was justified? If not, has the government taken any steps to roll back the price to what it was at the end of July?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the increase in August was justified at the time on the ground that we were on a one-price basis with the United States and in light of the increase in price in the United States. On this basis, the restraint announced by the Prime Minister last week will prevent the necessity for a further 40-cent increase which the National Energy Board has now found would have occurred but for the decision of last week.

Mr. Douglas: In view of the minister's statement which implies that the 40-cent increase on August 1 was not required in order to meet increased costs, is this factor being taken into account by the government in the preparation of legislation to establish a two-price system, and can we hope that the domestic price for oil will reflect this fact and not be set at the present figure at which it is frozen?

Mr. Macdonald (Rosedale): I would not expect it would be possible to reverse decisions which have been based upon earlier price increases. I would expect, however, that such a system would make it possible to restrain the acceleration of price increases in Canada as related to the price of American crude.

Oral Questions

GRAIN

WHEAT—ALLEGED RESALE BY RUSSIA AT MORE THAN PRICES PAID CANADA AND UNITED STATES

[*Later:*]

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question arises from an answer given by the Minister of Justice to the hon. member for Portneuf. Generally it is agreed that the U.S.S.R., because it was able to purchase wheat at a price not higher than the cost of production from Canada and the United States, has been disposing of wheat at a price much higher than the price it paid. The minister brushed the question aside and said that no doubt the wheat involved was American wheat. That was the answer as I understood it. I ask him, first, what basis he has for his suggestion that the wheat sold was American wheat rather than Canadian wheat?

Hon. Otto E. Lang (Minister of Justice): I am sure the right hon. gentleman will see what my answer really was when he is able to read it in *Hansard*. I indicated at the beginning of my answer that I had no firm indication, only rumours, which the right hon. gentleman ordinarily operates on, that any sales had taken place. I am glad the right hon. gentleman has at last recognized that the United States sold more wheat at lower prices than Canada ever did.

Mr. Diefenbaker: When it comes to recognition of imagination as a basis for answers, I take second place to the hon. gentleman.

Mr. Trudeau: He was talking about questions, not answers.

Mr. Diefenbaker: No, I come in third place, with the Prime Minister as number two.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: This is not a rumour. It is a fact that sales of wheat purchased below the cost of production under long-term agreements have been made by the U.S.S.R. The minister says it is only rumour. I ask him whether he has been in touch with the U.S.S.R. to ascertain what sales, if any, were made of Canadian wheat. Has the hon. gentleman made inquiries through the embassy in Moscow? Has he requested the embassy to communicate with the grain group in the U.S.S.R. in this regard? Brushing aside answers important to the western farmer will not get by me.

Mr. Lang: I am sure the Canadian Wheat Board, alert as ever to any possible problem which might arise for the Canadian farmer, is fully in touch to its own satisfaction with each of its customers. Of course, some of the wheat which has been sold to the U.S.S.R. for a number of years has always been intended for alternative destinations, for example, the extremely valued flour business with Cuba.

Mr. Diefenbaker: That is another of those smart-aleck answers.

Some hon. Members: Order!

[Mr. Macdonald (Rosedale).]

Mr. Speaker: Order, please. The Chair will recognize the right hon. member for a further supplementary, but I would draw the attention of the House to the fact that there is not much more than five minutes left before we call orders of the day.

Mr. Diefenbaker: Usually, the minister takes over the Wheat Board when it is to his advantage to do so. I ask him whether he has been in touch with the board to ascertain whether or not it has made any investigation into this allegation, which is more than fiction—it is fact.

Mr. Lang: I am not sure I understand the nature of the right hon. gentleman's concern. I have not discussed this matter with the Wheat Board because, as I have just said, I have no knowledge of anything but rumour and I am completely confident that the Canadian Wheat Board knows enough to bring any such problem to my attention if it considers any action is needed.

Mr. Diefenbaker: Only alibis!

* * *

THE CANADIAN ECONOMY

GOVERNMENT POSITION ON IMPOSITION OF PRICE AND WAGE CONTROLS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is directed to the Prime Minister, bearing in mind he did not answer the question directed to him by my hon. friend from St. John's East. In June the Minister of Labour promised his constituents by news letter that if the Food Prices Review Board failed in its efforts to control prices the government had a contingency plan establishing a form of wage and price controls. In light of that promise and in light of unabated rising prices which have reached crisis proportions, will the government now introduce and establish a form of wage and price controls as promised by the Minister of Labour?

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

Mr. Alexander: On a point of order, Mr. Speaker. I am sure the Prime Minister is most anxious either to contradict the Minister of Labour or to put the House straight. I noticed he was on the point of answering the question. I am sure he would like to put the position before the House.

An hon. Member: He said no.

INCREASED INTEREST RATES—EFFECT ON COST OF TELEPHONE SERVICE AND ELECTRICITY

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is to the Prime Minister. Has the government undertaken studies to determine the effect of higher interest rates on the cost of future telephone service to Canadians and if so, would he be prepared to make the results of those studies available to the House?

Right Hon. P. E. Trudeau (Prime Minister): I will inquire of the Minister of Communications.

Mr. Hellyer: Could the Prime Minister also tell us whether the government has undertaken any studies as to the effect of higher interest rates on the cost of electricity and power development in Canada and would he also make the results of such studies available to the House at the same time?

* * *

● (1510)

CAPE BRETON DEVELOPMENT CORPORATION

ALLEGED FAILURE OF CORPORATION TO COMPLY WITH LEGISLATION—GOVERNMENT ACTION

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. In view of the fact that after six years the Cape Breton Development Corporation has failed to comply with legislation passed by this House and supported unanimously by two parliamentary committees, would the minister take steps to instruct Tom Kent, president of that corporation, to comply with the legislation immediately as laid down in section 18(a)(2) of the act?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, as the hon. member and others know, I have consistently over the past several months done everything I possibly could to redress what the hon. member regards as certain legitimate grievances, and I think considerable progress has been made. If the hon. member has some alternative means that might be employed to pursue this matter further, as he knows I will be glad to consider them with him or with any other member.

Mr. MacInnis (Cape Breton-East Richmond): A supplementary question. I know that the minister has shown great concern and has made the only advance that has been made, but Tom Kent has restricted advancement. The minister has overcome some of it, but does the minister intend to stand pat and allow Tom Kent to deny widows covered under section 18(a)(2) what has been rightly voted to them by the parliament of Canada in 1967? Six years is too long to wait. As I have said in the House, Tom Kent can be charged under the Criminal Code for not complying with the legislation passed by the House. The minister can take action with respect to Kent or action with respect to the legislation; either will satisfy me up to a point.

Mr. Speaker: Order, please.

EXHIBITIONS

EXPO '74, SPOKANE, WASHINGTON—EXTENT OF FEDERAL PARTICIPATION—CONSULTATION ON POSSIBLE PROVINCIAL PARTICIPATION

Mr. Randolph Harding (Kootenay East): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the government's announcement at the end of July that Canada was withdrawing from any participation in Expo '74 in Spokane, and in view of the welcome news today that the federal government has reversed its position and will now participate in Expo '74, I would ask the minister on what basis and to what extent the federal government's participation in Expo '74 will be made?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, when the government made its original decision not to build a pavilion, one of the reasons was lack of interest on the part of British Columbia and Alberta. The British Columbia government has changed its position and the Canadian government is going to build a park. I am hopeful that the government of British Columbia will build a pavilion within the park, thus I think fulfilling what is desirable from all points of view.

Mr. Harding: Has the federal government retained the site originally set aside for the Canadian exhibit, and has the government held talks with any of the provinces regarding the sharing of this site with them for the purpose of provincial exhibits? If so, with what provinces have discussions been held?

Mr. Sharp: As I said in my original answer, Mr. Speaker, the province of British Columbia reversed its positon on participation as a result of which the government wanted to facilitate some Canadian and British Columbia participation. We have extended a similar invitation to Alberta, Saskatchewan and Manitoba to participate if they would like to come on the same site. I might add that I understand the authorities in Spokane may create a permanent park, which would be a great credit for Canada.

* * *

[*Translation*]

AGRICULTURE

SMALL FARM ASSISTANCE PROGRAM—STATUS OF NEGOTIATIONS WITH QUEBEC—REQUEST FOR STATEMENT

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

Owing to the serious conditions in the food production field and the urgency of using all our arable land, could the minister tell us what progress is being made in the negotiations with the Quebec government concerning the small farm development program and will he soon be making a statement in the House in this connection?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have had an exchange of correspondence on negotiations in the last week. I think the earlier announce-

ment I made in the House proves that Quebec and this government are co-operating very closely.

Mr. Speaker: The hon. member for Annapolis Valley.

Mr. J. P. Nowlan (Annapolis Valley): I have a question for the Prime Minister.

Mr. Speaker: Order. Perhaps the hon. member will allow me to recognize the hon. member for Bellechasse. I was not looking in his direction and I believe he has a supplementary.

[*Translation*]

The hon. member for Bellechasse has the floor and I will recognize afterwards the hon. member for Annapolis Valley.

Mr. Lambert (Bellechasse): Mr. Speaker, I thank the minister for his answer but I would like to ask him a supplementary question. Since there is urgency in that field, I would like him to specify, if possible, what progress has been made in the negotiations and if we can expect a statement in that connection in the days or weeks to come?

[*English*]

Mr. Whelan: I am hopeful, Mr. Speaker, but I would tell the hon. member that we are discussing with the province of Quebec and the other provinces many other ways of doing the very same thing.

* * *

THE CANADIAN ECONOMY

INFLATION—INQUIRY AS TO GOVERNMENT MEASURES TO COMBAT AND PARTICIPATION OF PRIME MINISTER IN SPECIAL DEBATE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is for the Prime Minister. In view of the fact that the problem of inflation affects all departments of all governments, and since the Prime Minister commented on December 23, 1969, in regard to inflation that "We can only get tougher, we can't get weaker", and a year later, on December 24, said "Inflation no longer exists in Canada; we've come around the corner", I would ask the Prime Minister whether he intends to participate in the debate tonight so that we can find out what we have in Canada and what happened when we went around that corner?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if I had occasion to participate in the debate tonight I would indicate that in economic policy you are never dealing with an immobile economy, that you can at one point in time bring inflation down to zero or near zero as inflation was when I made that statement. The whole purpose of economic policy is to react constantly to changing economic reality and this is exactly what we did, as the Minister of Finance has indicated in his answers. Instead of reacting a month later, as the Leader of the Opposition has done, as soon as the facts about the economy were known we did not wait for the statistics but brought in this series of legislative items.

[Mr. Whelan.]

Mr. Nowlan: I appreciate that the Prime Minister may have some conflicts ahead of him this weekend, but if he is not going to participate in the debate tonight and give some leadership to this land, rather than talking about a month or six months ago, does he intend to make a statement either in the House or on the national media outlining the government measures that have been and will be taken, or does he intend to let the Minister of Finance strangle slowly with the albatross of inflation around his neck?

Mr. Trudeau: Mr. Speaker, I did not rule out the possibility of my participating in the debate. However, I feel it is wise to wait and see which of the many spokesmen on finance in the Conservative party will take the floor tonight so I can see whether, indeed, I need answer them.

Mr. Speaker: Order, please. We have reached the end of the question period and there are a number of members who unfortunately did not have the opportunity to be recognized.

As this is a special day, I think the Chair might take this occasion to mention to hon. members that discussions might be held between the party representatives with a view to not waiting until eight o'clock this evening to have the debate. The Chair has no alternative under Standing Order 26 but to say that the debate is put over to eight o'clock in the evening, but hon. members might well consider the possibility of having the debate start at four or five o'clock this afternoon, which might mean that the debate would finish a little earlier and we might have a brighter participation in the latter part of the debate. Orders of the day.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Bell: Mr. Speaker, may I ask the Acting House Leader in these days of national emergency what the business will be for next week? I ask this on behalf of the opposition parties in the House.

Mr. Lang: Mr. Speaker, may I say first of all that we would welcome action on your suggestion and an immediate taking up of the discussion of this important matter so that we can further elaborate on the points we were attempting to make during the last hour.

We would propose, either this afternoon in the one event or tomorrow in the other event, to proceed with the second reading stages of items No. 43, the Canada Pension Plan amendments, No. 44, the Parole Act, No. 26, the CNR financing bill, and No. 40, the Co-operative Credit Associations Act. Then, if these have been cleared, or perhaps in any case, on Monday we propose to call Item No. 42 in regard to the Customs Act, Item No. 17 in regard to the proposed Residential Mortgages Act and Item No. 59 in respect of the corporations act. This would be subject, of course, to further discussions with the Minister of Industry, Trade and Commerce (Mr. Gillespie) about taking up the bill in respect of foreign investment review at the report stage.

● (1520)

Mr. McGrath: On the same point of order, Mr. Speaker, I would ask the Minister of Justice (Mr. Lang), in his capacity as acting government House leader, whether the government intends to bring forward measures to deal with the real problems facing this country such as rising food costs, rising shelter costs and rising transportation costs?

Mr. Speaker: Order, please.

Mr. Knowles (Winnipeg North Centre): On the same point of order, Mr. Speaker, if it is not possible to reach agreement right now to start this evening's debate at four or five o'clock, I wonder if it might be understood that if the House leaders reach such an agreement we can intervene in the debate this afternoon and start this evening's debate that much earlier. As far as we are concerned, we would be prepared to agree right now to start the debate at four or five o'clock.

An hon. Member: How about right now?

Mr. Lang: On that same point of order, Mr. Speaker, there may be some disposition to begin right now.

Some hon. Members: No.

Mr. Lang: I see there is not disposition to begin right now, but we are ready to start at this time.

Mr. Bell: Let us start at four o'clock with time off for supper.

Some hon. Members: Right now.

Mr. Speaker: Order, please.

An hon. Member: We are ready.

Mr. Speaker: Order, please.

An hon. Member: Come on, let's start now.

Mr. Speaker: Could we have order, please.

Some hon. Members: Right now.

Mr. Speaker: I respectfully suggest to hon. members that it is very difficult to agree on this kind of an arrangement by way of interruptions from across the floor. I think there should be consultation, as I have suggested to hon. members. Obviously there is not unanimous agreement at the moment as to the time the debate might commence. I suggest there be the usual discussions, and I will call orders of the day.

Mr. Peters: Mr. Speaker, I should like to ask whether there has been any agreement to the effect that if the matter that is to be called now receives only an hour or two consideration the debate will be continued on a later date, since the debate is normally terminated at the completion of one day's discussion.

Mr. Speaker: I would again suggest to the hon. member that this might be another subject matter for the type of discussion I proposed a moment ago.

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN

CONTRIBUTIONS OF MEMBERS OF CERTAIN RELIGIOUS SECTS, INTEREST RATE ON DELAYED PAYMENTS, PAYMENT OF LEGAL EXPENSES

The House resumed from Friday, July 20, consideration of the motion of Mr. Lalonde for the second reading and reference to the Standing Committee on Health, Welfare and Social Affairs of Bill C-190, to amend the Canada Pension Plan.

Mr. Speaker: My understanding is that we are resuming the debate on the motion now before the House, and that if the minister speaks now he will be closing the debate. I gather there are other hon. members who want to take part in the discussion. That being the case, the Chair will recognize the hon. member for Crowfoot (Mr. Horner).

Mr. J. H. Horner (Crowfoot): Having regard to Bill C-190, Mr. Speaker, after a cursory look at it one feels there is not really much at stake and that it should receive ready passage. Perhaps a number of members of this House have adopted that view.

The Canada Pension Plan was created in essence for two basic reasons, the first of which was to create a universal plan which would be portable so that upon retirement a person would have something set aside. The bill before us deliberately exempts certain religious groups which had been formed prior to 1966. It is a well-known fact that people have various faiths, and that many cherish in their hearts their own religious beliefs. I would ask the minister why these religious organizations, in order to be exempt, must have been formed prior to 1966? Why is that the condition before they have the privilege of opting out of participation in the Canada Pension Plan? Why should we allow anyone to opt out?

It is also well known that many religious organizations do not retain all their following on a rigid basis, and that from time to time people do break with their church and choose another. What happens to a person who belongs to a religious faith which is exempt from contributions to the Canada Pension Plan, then breaks away from that organization and, at age 50 or 60, finds that no one has made any contribution to the Canada Pension Plan on his behalf? Such an individual would reach retirement age and have nothing. He would be solely dependent upon the old age security system, which is merely a base for retirement today as it is coupled with the Canada Pension Plan. For those reasons, I urge that this bill be not passed without a great deal of study.

Let me deal specifically with the Canada Pension Plan and why I do not think this bill should receive acceptance by this House. In 1966, the Canada Pension Plan was brought into being. The minister who piloted it through the House said it amounted to a tax levied by the government to bring about security for the people when they reached retirement age, and that the tax amounted to about a 23 per cent increase in the existing income tax rate. In other words, there was a choice of levying a premium solely for the purposes of the Canada Pension

Plan or of increasing the existing income tax rate by 23 per cent. The latter course would provide an equivalent amount to be set aside in a retirement fund. The minister used another equation at the time. He said it was equal to a general sales tax of about 4 per cent or 5 per cent, and that this would give the government the same amount as a 3.6 per cent tax on salaries over and above $600. Those were the figures the minister used.

The Canada Pension Plan accomplishes one other thing. It sets up an investment fund from which the provinces can borrow money from time to time. Reading from a publication put out by the minister in 1972 to explain the Canada Pension Plan, we find the following statement, among a number of others, which outline the purpose:

> Every contributor to the Plan should have a Social Insurance Number so that his pensionable earnings may be accurately recorded for benefit purposes.

Many people in Canada do not have a social insurance number, whether or not they belong to a religious organization. Certainly, the Hutterites on the Prairies do not want social insurance numbers. They believe all things are common and that no person really acquires any personal assets. For that reason, they do not want to look upon their group as individual with numbers.

Many people other than those of the Hutterite belief do not have social security numbers. Some have been threatened with court action, but at no time has the government proceeded with a prosecution of anyone on the basis of not having a social security number. It has been suggested at times that prosecutions will be commenced, but this has not been the case. I suggest no prosecutions have taken place because of the ticklish question of what to do about those who belong to a religious order. The government knows it would be in very bad straits if it forced members of religious orders to accept social security numbers, therefore it has not proceeded with any court action against those persons unwilling to accept a social security number. A number of people do not have these numbers.

The same publication put out by the minister in 1972 explaining the Canada Pension Plan states:

● (1530)

> Every month, the Department of National Revenue estimates the amount of contributions that have been received and credited to the Plan's operating balance. The Department of National Health and Welfare then indicates to the Department of Finance the amount by which the operating balance is in excess of the amount required to meet all payments in the immediately following period ending three months after the end of that month. The Department of National Revenue will also indicate to the Department of Finance the proportion in which contributions are estimated to have been received from each province during a prescribed period preceding that month.
>
> Each month, then, the Department of Finance will indicate to each province the amount of excess moneys in the Canada Pension Plan which is available to advance to that province within the first ten days of the following month in exchange for a security of that province having a term to maturity of 20 years.

That implies that the excess in the fund can be lent to the provinces at a rate comparable to the government borrowing rate on 20-year bonds. So, this becomes an investment fund from which the provinces may borrow for the purpose of developing their provinces. I am a firm believer that everybody within Canada should share part of the load involved in building a province so that it may be a better place in which people may live.

It may be of interest to note that on July 11 in answer to a question placed on the order paper by the hon. member for Brandon-Souris (Mr. Dinsdale) concerning how much money each province borrowed from the Canada Pension Plan it is shown that the province of Alberta, which many think is a wealthy province, since the inception of the Canada Pension Plan has borrowed from that investment fund $525 million, starting with a low borrowing of $3 million in 1966 to a high last year of $96 million. The provinces of Saskatchewan and Manitoba have both been heavy borrowers from the Canada Pension Plan. Why? Because they receive a good rate of interest. It is Canadian money. It is not necessary for them to go to New York in order to borrow money to build hospitals, roads, and other developments in their provinces. Religious sects such as the Hutterites, for example, use those hospitals and roads. Why should they not contribute to that investment fund? Many people who invest in an insurance scheme do not even break even.

If a person started contributing to the Canada Pension Plan at age 18 and died at age 65, the amount received from the Canada Pension Plan would probably be enough for a very meagre burial; that is all. This is what insurance is all about. We all pool our funds in order to provide some security at a later date. I cannot say that everyone who belongs to the Mennonite or Hutterite sect will, from this date forward, remain members of those sects. They may some day break away and need the security offered by the Canada Pension Plan. Also, I cannot say that at some future date the sects themselves may not change their mind and wish to enjoy the security of the Canada Pension Plan.

Certainly, it has never been the belief of the Hutterites that they should be exempt from the payment of taxes or from the authority of governments. One of the teachers of the Hutterite religion, a Mr. Rideman, in respect of the payment of taxes to government funds said:

> Since governmental authority is ordained by God and hath its office from him, the payment of taxes for this purpose is likewise ordained and commanded, as Paul saith, 'Thus ye must also pay tribute.' For this reason we likewise, willingly pay taxes, tribute or whatever men may term it, and in no way oppose it, for we have learned this from our master, Christ, who not only paid it himself, but also commanded others to do so, saying, 'Render unto Caesar what is Caesar's, and to God what is God's.' Therefore we, as his disciples, desire with all diligence to follow and perform his command, and not to oppose the government in this.

He refers to tribute. They are willing to pay their tribute as requested by governments. They do not like the Canada Pension Plan because of the social security number which is nearly a "must" if one is to have an individual pension plan and not a mass pension plan. The Canada Pension Plan is an individual pension plan because the more one pays into it the more one may receive from it. Many people have said that the Hutterites are a religious group and really are not engaged in business. On that ground, it is suggested that they should be exempt from many things such as income tax, the Canada Pension Plan and so on.

Again, I wish to point out that the contributions to the Canada Pension Plan build an investment fund from which the provinces borrow money for the purpose of

building hospitals, schools and roads. These people use these facilities. These people also carry on extensive business. If one group engaged in business is to be exempt from a levy of taxes, then people engaged in similar business in competition with that group should also be exempt. Are the Hutterites, who have gathered in the provinces of Alberta, Saskatchewan and Manitoba, carrying on business? As long ago as 1939 the Supreme Court of Canada ruled they were. I wish to refer briefly to that ruling.

There was a case concerning whether or not the Hutterites were farmers under the Farmers' Creditors Arrangement Act of 1934. The Supreme Court of Canada held that they were farmers within the meaning of the Farmers' Creditors Arrangement Act of Manitoba, 1934, and the amendment in 1953, and were entitled to the advantages under that act. This was a case in which the Hutterites themselves wished to take advantage of the act and set out to prove they were, in fact, farmers. They did prove this before the Supreme Court of Canada.

It is also interesting to note a recent judgment in a taxation case before the Tax Appeal Board. In this case five Hutterite colonies were involved. The judgment found, as a fact, they were farmers. The judgment goes on to state:

> It must also be noted that if the Articles of Association rather than the teachings and theories of the Hutterian Church are examined, it becomes apparent that two distinct purposes are enumerated in art. 2: religion and industry, the industrial purpose being described in the following way:

This is taken from the charter of the Hutterite Association:

> To engage in and carry on farming, stock-raising, milling and all branches of these industries, and to manufacture and deal in such products and by-products as may be considered by the Directors to be in the best interest of the Colony.

So, the wording of their charter leaves no doubt that they are engaged in an industry. The judgment ended with the following words:

● (1540)

> In view of the foregoing, I have reached the conclusion that the appellants were farmers in the full sense of the word.

What I am saying is that if the minister finds the act to be a difficult piece of legislation to administer and that it would be far easier for him to let them out, I still find that that is no excuse because that would only encourage other groups to rise up and cause trouble. If the government does not have sufficient intestinal fortitude to make the act work, then this bill should not be passed. It should be required that everybody comply with the act and pay into the fund, including those religious groups that were formed before 1966 and desire to opt out. On the one hand, there is the religious aspect of these groups, but on the other there is the farming operation, which is a completely different thing.

Much has been said about being good corporate citizens, about foreign investment in Canada and about these multinational corporations, and whether they are good corporate citizens. We should lay down a guideline so that everyone could see whether or not they are good corporate citizens. I am certain that deep within their hearts these religious groups want to be good Canadian citizens, as Rideman says in his teachings. They want to obey the government for in their eyes the government is God's servant. But in this act we seem to say that we will force the big corporations to be good corporate citizens, and yet we will let many people come into Canada without requiring them to contribute.

Who are these people whom we allow not to be good citizens? There was a study carried out in Alberta in 1959 by what was, in essence a royal commission composed of some respected and honourable men, such as James Bentley, who was at one time president of the National Federation of Agriculture, C. P. Hayes and W. Lodd. I do not know who those two gentlemen are, but I do know Mr. Bentley to be a fair and honest man. On page 27 of the report of that group we find the following statement:

> No loyalty to the country in which they live is acknowledged by the Hutterites, as responsibilities of citizenship are not accepted even by those born in the country.

I cannot underline this statement enough because we all believe that loyalty to the country is the supreme test for everyone. We in this parliament work for those who are most loyal to this country, not necessarily for those who acknowledge no loyalty to the country. Yet, this report states that the Hutterites acknowledge no loyalty to the country. That is what those to whom I referred found to be the case in the province of Alberta. Even those born in the country do not accept the responsibilities of citizenship.

The minister said when this bill was first introduced that this was one of his great problems and headaches, that he did not know what to do about these groups. His headache would be cured, the thorny problem of how to make these people pay into the Canada Pension Plan would be solved, if no exceptions were made. We would in fact be curing the minor headaches of other people, particularly farmers who are in competition with the Hutterites. When the Canada Pension Plan was first introduced in 1966, many farmers said that they did not want any part of it. Mass meetings were held throughout the province of Alberta. I was asked to attend a number of them and, strange as it might seem, I found myself defending the government at the time—it was a Liberal government then also. Many farmers did not want to pay into the Canada Pension Plan. They wanted the choice of opting out because the cash income of farmers is often not very great. They invest their profits in their farmsteads. The old adage that farmers live poor and die rich is nearly as true today as it was then.

Mr. Gilbert: Now they live rich and die rich.

Mr. Horner (Crowfoot): No, many of them die poor because some lawyers and trading companies take their profits. In fact, that it true now more than ever before. In any case, we cannot easily cure the minister's headache in this way. It is not living up to the obligation of governing the people well when you say: I do not know what to do about this problem so let us sweep it out the door and forget about it. Members of parliament cannot say: we accept the minister's headache; it is bothering him so we will help him get rid of it. That would not be living up to the obligation which I assumed when I ran for office. I acknowledged that the problems were difficult, but, I

thought I could contribute towards solving them. If I had thought that solving problems meant sweeping them out the door, I should not have come here and the people should not have sent me here because those problems could have been swept out the door without my help. It is parliament and the House of Commons which should settle the problems of these people.

These people are engaged in farming but they are not good Canadian citizens because they acknowledge no loyalty to the country, even those who are born in Canada. This is hard to understand. That is why I took out of the library a copy of this study carried out by a group of respected men. The Hutterites themselves acknowledge that the government is a servant of God and that they will obey the wishes of government. The government has spoken and said that everybody in Canada should contribute to the Canada Pension Plan. The plan is portable. You may never collect from it, but if you need to, it will be there. If we are going to allow one group the choice of opting out, then I say we should give other groups the same right. I say: do not bring in a bill which allows a couple of groups not to take part if they were incorporated before 1966. Many churches have been formed since then.

If we are to allow churches a choice—and this includes strict religious sects—then we should allow them to opt out in the future as well as now, whether they were formed before 1966 or after. It seems to me that if we are to have good roads over which to bring our produce to market and if we are to have a good hospital with many doctors and nurses and all the necessary modern technology at our disposal to protect our families, then we should all without exception contribute to that investment fund. Then, the provinces would not be forced to go to New York forever to borrow. The investment fund idea is sound, but everybody should contribute to it, everybody who is prepared to use it and reap the benefits from it. That is the basis for it.

● (1550)

I have figures here for the province of Alberta. I have not totalled them up precisely, but $525 million has been borrowed by Alberta since 1966, and it is supposed to be a wealthy province. The province of Ontario, last year alone, borrowed $544 million from this fund.

I know that the Amish people of Mennonite people in some parts of Ontario also want to be exempted from contributing to this fund. They are not as businesslike people as the Hutterites. They still do their farming in what might be called an outmoded manner. But they use the roads, their children go to schools, and in cases of severe sickness they use the hospitals.

In 1971-72 Ontario borrowed $498 million, in the year before that $476 million, and in 1969-70 $412 million. We can see that there have been huge borrowings from the fund by the richest province of all. It has borrowed an average of $450 million per year since the inception of the Canada Pension Plan in order to build a better province, to build better roads, better hospitals and better schools. I believe that all citizens, whether or not they acknowledge their citizenship, should be forced to contribute to the building of a province. We ask corporations, whether they be international corporations, American corporations or Japanese corporations, to pay taxes to help build the facilities we desire.

It may be said that there are only a few of these people, that they are nice people, and they do not mean anybody any harm. That is all very true. But I point out that in the province of Alberta the Hutterite sect owns as much land as would encompass all of Prince Edward Island. So, while we might be talking about only a few individuals, collectively they own a large area of Canada. I say that we are exempting too large a proportion of the population from the provisions of the plan. We are exempting the owners of a huge land tract in Alberta, a huge land tract in Saskatchewan, and another huge land tract in Manitoba. I do not know how large a tract is involved in Ontario.

Mr. Reid: On a point of order, Mr. Speaker, may I intervene to say that there have been discussions among the parties on how to deal with the debate this evening. My understanding is that we will begin at four o'clock, bypass private members' hour, rise for supper at the normal hour, resume at eight o'clock, and then conclude as specified under the terms of Standing Order 26.

Mr. Bell: We agree.

The Acting Speaker (Mr. Laniel): Is there unanimous agreement to this procedure?

Some hon. Members: Agreed.

Mr. Horner (Crowfoot): Mr. Speaker, the time allotted to me will now expire at four o'clock. I have dealt at length with this subject matter because here we are dealing with a principle. Either the plan is compulsory and includes everybody, or it is not. The Conservative party at one time was a great party for principle. It believed in sticking up and standing up for principle.

Mr. Dinsdale: It still is.

Mr. Horner (Crowfoot): Some say it still is. I do not like to think that it does not, but we should treat all people equally. If we want to mention religious people, that is fine, even though I do not like that attitude because it narrows the scope. I notice some members of the NDP nodding their heads. They are unitarians, and maybe there would be some difficulty in interpreting that as religion. However, everybody should have a choice. I say we should not stipulate the year 1966. Some great religious sects may still spring up in Canada that may wish to guard zealously their communal being. Their members may not want to acquire social security numbers. They should be entitled to the same privilege.

Before closing I wish to say that if I am present in the House I will not grant unanimous consent for this bill to be dealt with in slipshod fashion. I want it to go to a committee, so that these groups can appear before it and defend their position that they should be let out of the plan. Can they tell us that what I have said about their possessions is all wrong, that what I have said about their land holdings in Alberta is all wrong?

I don't care if the Minister of National Health and Welfare has a headache. He has plenty of doctors in that department to give him pills for it. I am not shrinking

from the job of being a responsible member of parliament, trying to solve the problems fairly as they confront parliament. That is the duty of us all. Just because a problem appears insoluble is no reason to throw it out the door. I know the Minister of Finance (Mr. Turner) finds inflation insoluble, and would like to get it thrown out the door. But we, as responsible members of parliament, will not let him sweep it out the door. Just because this matter involves two religious sects, and discussion of religion is taboo, we are supposed to let the Minister of National Health and Welfare sweep it out the door. That is wrong in principle, Mr. Speaker. Giving everybody equal treatment is what democracy is all about, not the granting of privileges to some and the withholding of privileges from others.

We all cherish our freedom. We know that in introducing any insurance plan, unemployment insurance, Canada Pension Plan or what-have-you, we foresake a little freedom for the security we get in return. But I know that some people value their freedom more than others. Many people have not taken out social security numbers. A very good friend of mine who contributes to the Canada Pension Plan has not taken out a social security number, and knows he will not be able to get one cent from the Canada Pension Plan when he retires. That is his choice. I notice it is four o'clock, Mr. Speaker.

Mr. Speaker: I will now put the motion for the adjournment of the debate.

[*Translation*]

Mrs. Albanie Morin (Louis-Hébert): Mr. Speaker, I move, seconded by the member for Shefford (Mr. Rondeau), that the debate be now adjourned.

Mr. Speaker: Is the House ready to carry the said motion?

Some hon. Members: Agreed.

Motion agreed to.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

THE CANADIAN ECONOMY

INCREASES IN COST OF LIVING AND INTEREST RATES

Mr. Speaker: Pursuant to special order made this day the Hon. Leader of the Opposition (Mr. Stanfield), seconded by hon. member for Don Valley (Mr. Gillies), moves:

That this House do now adjourn.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the Clerk of the House has just reminded me that under the rules I have 20 minutes. It has often been said that if you cannot say what you want to say in 20 minutes you cannot say it at all, and so I will do my best within that period. I suppose the Minister of Finance (Mr. Turner) and perhaps even the Prime Minister (Mr. Trudeau) will do me the courtesy of hearing what I have to say in due course.

● (1600)

One of the factors that is causing us such concern today is the further rise in interest rates that has been announced and the indication that this is a return to a traditional approach. This approach, of course, involves higher costs for borrowers, higher costs for those who are doing business and has traditionally led to a slowdown in our economy, particularly in the slow growth areas of the country. What worries us all so much is that we feel we have been all through this before. The increase in the bank rate will work its way through the system, that is the various structures of interest rates, up into the long-term mortgage rates of interest.

The Minister of Finance earlier this afternoon made a great deal of the fact that the banks have given an assurance, for the time being at least, that they will not increase their mortgage interest rates. But ranks provide only part of the mortgage funds in this country, Mr. Speaker. There are other institutions, too, and this increase will work its way into the longer-term rates and will be reflected in the mortgage interest rates charged to many home owners as well as others who wish to borrow money in future. This will lead not only to a vast increase in cost to home owners, but if it continues will eventually reach a point where there will be a slowdown in construction. This has happened frequently before as a result of this kind of policy and will, of course, exacerbate the housing problem. I recognize that the government is quite proud of the housing starts this year, but a continuation of the escalation in the rates of mortgage interest will produce, as it always has in the past, a slowdown in construction. The same applies in the case of business.

Earlier this week we had a warning of the increase in the seasonally adjusted rate of unemployment to 5.5 per cent, the same as it was last March. Earlier today the Minister of Finance said that he had foreseen the figures yesterday and today when the program was developed that was announced by the Prime Minister. I do not know whether he also claims to have foreseen the increased rate of unemployment, seasonally adjusted or not. Surely, these figures are a warning to all of us of what has happened as a result of higher interest rates, what has happened in slow growth areas and what has happened particularly to the fight against regional disparity. The effects of the fight against regional disparity which was launched a few years ago by this government were negated by the slowdown in the economy of the nation. This was deliberately brought about by the minister of finance of that day and the prime minister in order, as the Prime Minister has said, "to lick inflation".

If we hope to make any real dent in the extent of regional disparity we must have an expanding national economy to serve as a basis. If the minister foresaw all this, what new measures have been announced by him, by the Prime Minister or by the Minister of Regional Economic Expansion (Mr. Jamieson) to offset the effect of higher interest rates on areas of slow growth? What new measures has the minister announced to ensure a solid base for the reduction of regional disparity if he foresaw all these increases?

I would not want to question the word of the minister, but I find it difficult to believe that when these policies

were developed he actually foresaw the jump in the bank rate that has taken place this day. If he did, he must have seen the disadvantages that would be created for the slow growth areas of the country and homeowners, and should have taken steps to offset them. Higher interest rates have never been effective in containing inflation. This has been recognized by the International Monetary Fund which just last weekend recommended that governments should consider additional incomes policy measures to supplement the measures traditionally used because the traditional measures have not worked.

I agree that if you create enough employment you can very simply eliminate inflation. But, Sir, our labour force is increasing rapidly and we need rapid growth in the economy to create new jobs for people entering the work force. Surely, we are not going to go through the experience of recent years again when a large rate of unemployment was created through 1969, 1970 and 1971 in order to fight inflation. Since then, we have lived with a high rate of unemployment which has never been overcome despite the boast of successive ministers of finance, particularly with regard to the young and particularly in the disadvantaged parts of the country.

The Minister of Finance is not even prepared to bring in a budget in view of the conditions that now exist. Unemployment stands at 5.5 per cent seasonally adjusted, and it is my recollection that at the time of his budget the minister said that he anticipated unemployment, seasonally adjusted, would fall below 5 per cent by the end of the year. Here it is, Mr. Speaker, at the same rate as it was at the end of March with inflation at a rate well in excess of 8 per cent per year and, in terms of the past months, over 15 per cent. And the minister is saying that he has foreseen all of this.

How long ago did the minister foresee it? Was it at the time of his budget in February? Did he foresee then that inflation was going to reach an annual rate of well over 8 per cent in a year? That budget in any event was a failure as regards inflation. Did he present that foreseeing the conditions that now exist, the present rate of unemployment associated with the current rate of inflation? I find that very difficult to believe. That budget was not effective to deal with conditions as they existed in February, and it certainly is not appropriate to cope with the very different circumstances that exist today.

Some hon. Members: Hear, hear!

Mr. Stanfield: I give the minister sufficient credit as a humanitarian not to have foreseen those circumstances. I ask the minister why he comes before this House today, after that budget of February, after an increasing rate of inflation month after month after month and increase after increase in the bank rate, saying that he foresaw it all the time.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, a point of order. I think the hon. gentleman wants to quote me correctly. In answer to questions he put to me today, I said that the government foresaw the effect of statistics published today on the cost of living because they showed what had been happening in August. That is all I said.

[Mr. Stanfield.]

Mr. Stanfield: Mr. Speaker, I have no inclination to exaggerate what the hon. member said.

Mr. Speaker: Order, please. I apologize to the hon. Leader of the Opposition (Mr. Stanfield) and to the Minister of Finance (Mr. Turner). I hope we will not get to the position we were in during the question period when we had interruptions and calls. I suggest to hon. members that perhaps whoever has the floor from time to time should be allowed to make his contribution to the debate to be followed by whoever might want to reply.

Mr. Stanfield: Yes, Mr. Speaker, I will give the minister an opportunity to reply to anything I say from time to time. I simply say the minister is now confirming my point. At the time of the budget he did not foresee these conditions. The budget of February and the budget we are now living with are not appropriate to the conditions that exist. It is not for the Minister of Finance to pretend that he has no obligation to come before this House with measures that are appropriate rather than the hodge-podge that he and the Prime Minister produced last week.

● (1610)

There is no greater evidence of the government's lack of concern and lack of understanding of policies than that which is found in the statement which the Prime Minister (Mr. Trudeau) made to a panel of journalists interviewing him on a weekend television program during the election campaign last fall. At that time, the Prime Minister said he did not think it was shocking to see food prices go up. He thought it was good for the farmers. As a matter of fact, as the record shows, the Canadian farmer is just as much a victim of inflation as the retail consumer, the Canadian wage earner, the pensioner or anyone else.

Some hon. Members: Hear, hear!

Mr. Stanfield: With regard to the milk arrangement announced by the Minister of Agriculture (Mr. Whelan) today, my party certainly approves of any effort such as this to reduce and hold down the cost of milk. We approve of the use of government funds for this purpose. We made it very clear that we approve of this, but we do not approve of the farmer being stuck with making up the difference, operating under a fixed price and having to absorb the extra costs. We believe it is unfair to apply a price freeze on a particular product without at the same time limiting in any way the farmers' costs. That is what is unfair. The record shows the Canadian farmer as being the prime victim of the policies of this government.

This government talks about the importance of expanding production. Who brought in the Lift Program? Who implemented this disincentive? Who dumped the reserves at firesale prices? Who today cynically bemoans the world situation as a problem of someone else's making? In October 1972, who but the Prime Minister could say that rising food prices were good for the farmer and in September, 1973, announce a policy involving farmers subsidizing other Canadian consumers?

The government is back on the supply kick. The cry is, grow all you can. Has the Canadian farmer been given the advantage of fast write-offs? I direct this question to the Minister of Finance (Mr. Turner). He provided fast write-

offs for manufacturers to encourage production and employment. Has the Canadian agricultural producer been given similar treatment with regard to his equipment? Of course not! Has anything been done by way of an over-all policy to stabilize the farmer's input cost? Has anything been done to ensure that farming will be attractive to our young people? The government's credibility is not high anywhere in this country. It deserves to be low in the agricultural community.

This is the same government using the same discredited methods of high interest rates that were used in 1969 and 1970. When unemployment was running at about 7 per cent, the Prime Minister said he would not hesitate to again use the same methods to deal with any renewed inflation. We see the government today again using the same methods. It is the same Prime Minister who said earlier he would not lose his nerve if unemployment rates went over 6 per cent. This is the same pattern all over again with the same disastrous results becoming evident day by day.

There are two distinct differences in the circumstances this time. In 1969, the government launched its battle against inflation at a time when the rate of unemployment was below 5 per cent. It is making this mistake all over again in 1973 with a floor level of unemployment in excess of 5 per cent. We know the way unemployment climbed the last time. What are Canadians to look for now in this re-enactment when unemployment rates are much higher at the outset?

In 1973, this parliament should do more than talk as it sees history repeating itself. We know the consequences of such a repetition. This parliament can act. As we see this confused government again resorting to outdated, inhumane knee-jerk economic policies, we should act and remove this government from office. This country cannot afford a government flying by the seat of its pants. I say it is time for a good swift kick in its pants.

Some hon. Members: Hear, hear!

Mr. Stanfield: The minister said today that he anticipated these figures. The policy announced by himself and the Prime Minister was not greeted with any great applause, even by fans of shrewd political tactics. There are too many serious consequences involved in this kind of makeshift effort. There is a move to more selective controls in a most distorted fashion. There is a shift toward a kind of isolationism when we should be joining with our partners in an approach. Confusion and contradiction is being placed before a country which is looking for confidence and leadership. In June, the Minister of Labour (Mr. Munro) told his constituents, and I quote:

—we found it necessary to establish a prices review board.

He did not say it was a toothless kind of food prices review board. He went on to say:

We are hoping that this will have a strong effect in limiting prices. The government also has a contingency plan if for some reason this board fails in its effort to control prices. The contingency plan would involve the establishment of a form of wage and price control, which you have shown your concern for in the last questionnaire which was returned to me.

I cannot begin to say all I would like to say. However, a year ago when the cost of living was showing a year-to-year increase of 4.7 per cent, I expressed concern about the danger of a full-blown inflation psychology taking hold in Canada. That concern is vindicated again in today's cost of living statistics and the announced increases in interest rates.

I hope no one in this government tries to pretend this is simply a question or rising food costs. The rise in food costs is very serious and most shameful, but the increase in the cost of living index on items other than food is now very rapid. It is at the rate of 6 per cent a year. Further advances in interest rates, housing costs and clothing costs once again show the government's fixation on an ineffective review board dealing solely with food prices to be shameful negligence. It is surely an unprecedented shame to have the cost of living climbing 8.3 per cent over the past year, over 15 per cent this month, while unemployment stands at 5.5 per cent. It is an unprecedented shame for that to have happened.

Some hon. Members: Hear, hear!

Mr. Stanfield: The Prime Minister and the Minister of Finance said they foresaw this. Having foreseen it, they produced this tawdry package of measures which are inadequate to provide some stability in this country or deal with the malignant problem facing Canada today, a terrible rate of inflation associated with an unacceptable rate of unemployment.

An hon. Member: What do you have to offer?

Mr. Stanfield: The hon. member knows perfectly well what I have to offer.

Some hon. Members: Hear, hear!

● (1620)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, after listening to the Leader of the Opposition (Mr. Stanfield) one can understand why he was satisfied with a limit of 20 minutes. He reminded me very much of somebody trying to kill a penalty, looking up at the clock hoping he could survive that period of time.

Some hon. Members: Hear, hear!

Mr. Stanfield: On a point of order, Mr. Speaker. For the second time the Minister of Finance (Mr. Turner) has made something of the point that I have not asked for extra time. I wish to say simply that I do not presume upon the rules of the House, and I hope the Minister of Finance will not do so either.

Mr. Speaker: Order. Before the minister resumes, I think I should again remind the House that hon. members who have been given the floor should have the opportunity to complete what they have to say without too many points of order and interruptions.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I recall that the House used to extend its indulgence by allowing speakers who led off debate for all parties to complete their speeches.

However, I can understand the hon. gentleman not wishing to continue that tradition.

What this debate is again about is a difference in analysis as to the cause of the rise in the cost of living in this country. Although, as the Prime Minister (Mr. Trudeau) said again today, the government has undertaken contingency plans for price and incomes control we have concluded, and repeatedly said to the House, that in the circumstances which have existed in this country and in the world up to the present, controls would bring about no lasting improvement in our price performance and that they could, indeed, do considerably more harm than good, a danger which has been borne out by the experience of the United States.

An hon. Member: I think not.

Mr. Turner (Ottawa-Carleton): The basic cause of the inflationary pressures which have faced sus up to now has been the world imbalance between demand and supply in relation to a large number of agricultural and industrial commodities. This is a problem which could not possibly be resolved in an effective way by the imposition of price and wage controls. If the cause, as we analyse it, is insufficient supply and overwhelming demand, the imposition of controls imposed against that supply would not increase the supply but discourage it.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): The experience of controls both in the United States and the United Kingdom has made it conclusively clear that in a situation where supply fails to meet demand controls are no solution to inflation. I have always recognized that if it became evident that the fundamental nature of the problem had changed, that the main source of inflationary pressure was arising not from a shortage of world commodities or not from an imbalance between world supply and demand but primarily from a domestic spiral of cost and prices, to policy response of the government might well be different. But on the basis of the facts as we see them we do not believe the solution is that suggested by the Leader of the Opposition (Mr. Stanfield).

The major aim of a long series of government policies has been to encourage an increase in supply through the expansion of our productive facilities, an increase in supply so as to get to the root of inflation and ease the pressure of rising prices on the budgets of Canadian families, particularly those on low and fixed incomes and the prevention of any attempt to exploit inflation by profiteering. These policies are not band-aids as suggested by the Conservative leader. They represent carefully selected, carefully coordinated measures, more comprehensive than anything the hon. gentleman has put forward even within the terms of the hon. member for Témiscamingue (Mr. Caouette). The Leader of the Opposition made much of the forecasting. But any reasonable Canadian could have arrived at what was happening to meat prices, what was happening to food prices generally, what was happening to world commodity prices.

Any reasonable Canadian, Mr. Speaker, would have known that the statistics reflecting the situation in the first week of August and published today would show an inordinate increase in the cost of food and in the cost of living. No magic ball was needed to make such a forecast. No superhuman gifts were required to make such a forecast. For the hon. gentleman to express surprise at those statistics today, knowing that parliament and the country were dealing with these issues both this week and last week, knowing the government announced its program on August 13 and again on September 4 in recognition of those very facts, is phoney and just doesn't stand up to examination.

Some hon. Members: Oh, oh!

Mr. Hees: What are we going to see a month from now?

Mr. Cafik: On a point of order, Mr. Speaker. With all respect to the hon. members of the House, may I say I listened with attention to the Leader of the Opposition and I should like to hear what the Minister of Finance has to say. I ask members opposite to allow the rest of us to listen.

Some hon. Members: Hear, hear!

Mr. Hees: Tell us what we are going to see next month!

An hon. Member: Why don't you shut up?

Mr. Speaker: On the point of order raised by the hon. member for Ontario, I would refer hon. members to Standing Order 12 to the effect that when a member is speaking no member shall interrupt him, etc. All members should read that standing order sometime. I believe that when a member has the floor he can, perhaps, expect some degree of good-natured interruption, but I really feel we are not achieving very much for the decorum of the House and the orderly conduct of our business if, when a member is speaking, there are shouts, interruptions and catcalls which contribute nothing to the debate and which make it very difficult for the Chair to hear the member who has the floor.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I want to thank the hon. member for Ontario (Mr. Cafik) for his intervention but I assure him that, for the moment, I do not think we are in any trouble here. I would hope that as the clock ticks on Your Honour will take into consideration, with your usual generosity and impartiality, an extension of the time available to me.

In furtherance of these objectives, in order to increase supply, which is the only really effective antidote to the imbalance of world supply and demand affecting Canada and as a means of protecting Canadians, particularly those on fixed and low incomes, against the erosion of the dollar, the government has consistently, in both budgets, and again in the measures announced on August 13 and September 4, followed and implemented the following policies: the budget measures reduced personal taxation by $1,300,000,000, putting that money back into the pockets of taxpayers for a maximum of $500 and a minimum of $100.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): We abolished the sales tax on all children's clothing and on all food and drink except alcohol. We reduced tariffs in a temporary way on $1,400 million worth of goods to increase supply and encourage the competitive factors in the economy. We increased equalization payments by $190 million to allow the so-called have-not provinces to redistribute a greater amount in property taxes for school purposes back to their own citizens.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): We implemented full indexing of old age security payments and guaranteed income supplement to compensate pensioners and those on fixed incomes against the rise in the cost of living. We escalated that index. We liberated the Canada Pension Plan from the 2 per cent limit and we are proposing that this, too, be indexed. A number of provinces are considering increasing social assistance payments which are shared 50-50 with the federal government under the Canada Assistance Plan to offset the impact of inflation. We reduced the tax burden on manufacturers and processors and tried to help them modify prices. We set up the Food Prices Review Board.

Some hon. Members: Oh!

Mr. Turner (Ottawa-Carleton): We imposed temporary export controls on cattle, hogs, beef, pork and a number of feed grains to prevent world-wide export demand causing shortages and sharp rises in prices in Canada. We proposed an increase in family allowances to $20 a month, beginning in 1974, and we have just instituted on a temporary basis for three months, non-taxable interim payments of $12 per child. We instituted a policy of subsidies to militate against the rise in the price of bread and, with the co-operation of the provinces, against the rise in the price of milk. We eliminated capital gains tax from the family farm to ensure that people remain on the farm and that we encourage agriculture.

● (1630)

I could go on with this catalogue, and I understand how unpallatable it is for members of the opposition; but when the reckoning is made the Canadian people will consider each one of these items as a legitimate step in the fight against inflation. I submit to Your Honour that, taken together, all these several measures adopted over the past several months, and I have not been able to list them all, add up to one of the most intensive and far-ranging programs—I was going to say "comprehensive", but the hon. gentleman has diluted the significance of that term beyond recognition—to deal in a workable and realistic way with the kind of inflation we are now experiencing and in moderating its effects upon Canadians.

The hon. gentleman brought into the terms of his motion the rise in the bank rate and the rise in the prime rate by the chartered banks of this country. I believe that most members have a copy of the release of the governor of the bank published last night in which he said that the action was made necessary by the pressure of financial markets, which has led to further increases in short-term interest rates, including those which were announced yesterday by the chartered banks. In his release he says that the upward pressure on short-term interest rates came not only, as I said earlier in the House, from the strong demand for credit in Canada, but also from the much higher levels of short-term interest rates in many other countries. This meant that this differential in rates, particularly in the short term, tended to generate international flows of funds which were adding to the pressure of demand on domestic markets and in the foreign exchange markets. The Governor emphasized, and I repeat, that the policy of the Bank of Canada continues to be directed toward moderating the unusually rapid growth in bank credit and money in Canada while still leaving scope for money growth adequate for continued expansion of employment and output. Those words are his.

The hon. gentleman again says that this is a program of tight money, and his colleague from Calgary North (Mr. Woolliams) suggests the same thing. I do not know what the hon. member for Don Valley (Mr. Gillies) is currently thinking about this subject. When the monetary supply is expanding at an annual rate of 15 per cent, and when chartered bank loans are expanding at an annual rate of 24 per cent, I say that is not restricting the money supply. Indeed, the money supply may well be expanding too rapidly.

I agreed to allow the banks to raise jointly their rates on certificates of deposit. Certificates of deposit are the instruments against which banks borrow money on terms up to one year. I allowed that rate to go from 7½ per cent to 8½ per cent. I did that because short-term rates had outrun them. The shortage of funds that I have described, because of the disparity in short-term interest rates between Canada and the United States, the three point differential with the United States, and the four to five point differential with Europe, had put restraints on our money markets and on our ability to accommodate an expansion of the economy.

In return for that, I asked the banks to take a look at their profit picture and to ask themselves whether these spreads between what they pay for money and what they charge for money which they lend could not be narrowed. The certificate of deposit rate was raised one per cent and the prime rate was raised three-quarters of one per cent, so we narrowed the spread from one per cent to three-quarters per cent.

With regard to loans under $200,000 for small businesses, they raised the prime rate only one-quarter. In other words, the differential was narrowed from one to one-quarter of one per cent. They gave me an undertaking that as far as mortgages were concerned they had no present intention of raising the rates and that they would continue to inject a reasonable amount of funds into the mortgage market. In any event, the banks have narrowed their spread.

May I tell the hon. member for Oshawa-Whitby (Mr. Broadbent) that, in terms of the amount of money that the banks are now putting into the mortgage market, when my predecessor the present Secretary of State for External Affairs (Mr. Sharp) released the 6 per cent limit on bank rates in order to allow the banks into the mortgage market to compete, the banks were not participating in mortgages significantly at all. In fact, their participation was virtual-

ly zero. Since 1967 the banks have entered the mortgage market. Last year the annual rate was $3 billion. This year the amount of funds put into the residential mortgage market is $4,100 million, an increase of $1,100 million in a single year.

I now want to deal briefly with the comments of the Leader of the Opposition about unemployment. I have said in the House that I am not satisfied with the seasonally adjusted unemployment rate any more than he is. But to attribute that, as he attempted to do, to weakness in the economy is just not consistent with the facts. I think we are entitled to look at the number of new jobs that the economy has created. I have told the House, and I now repeat, that comparing August 1973 with August 1972 the number of new jobs in this country is 464,000. That is an extraordinarily high increase in the employment rate.

If I can take the first quarter with the second quarter, I have said in the House before that when you take the rate of growth in real terms over the last quarter of 1972 and the first quarter of 1973, discounting inflation of 12 per cent, that rate of growth could not possibly be sustained without damaging the economy. The second quarter taken together with the first quarter—

Mr. Stanfield: Take it by itself.

Mr. Turner (Ottawa-Carleton): Very well; taken by itself it is an inevitable result of the shortages of materials, bottlenecks in production, of a necessary levelling off of the economy. Taking the first two quarters of this year, the economy has been growing in real terms, discounting inflation, of 9.4 per cent seasonally adjusted. I stick to the prediction that I made in this House on February 19 when I brought down my budget that the real growth in this country for the year will be 7 per cent. I still hold to that.

The Leader of the Opposition has fun saying that we should blame the weather, blame strikes and so on. I also said in my budget that when you try to attempt to predict what the economy is going to do you are dealing with human affairs, not dry statistics. The problems in this country are not simply statistical; any economist must learn that. The problems of this country are human problems. When you look at what the economy can do, you have to judge on the basis of reasonable management-labour peace; you have to judge on the basis of reasonably good crops; and you have to judge on the basis of reasonable international stability. As the Prime Minister pointed out earlier this afternoon, the economy is not static, it is continually responding to human affairs, both domestically and internationally. Therefore, if any of those bases to which I have referred are interrupted or interfered with, then that affects one's forecast and that forecast has to be adjusted.

In summarizing, Mr. Speaker, may I say that the type of inflation that is facing us the present time is caused by the simultaneously strong demand everywhere in the world for a limited supply of goods. No one country alone can stem that tide. While the Conservative leader may want to pose in cosmetically political terms as a King Canute commanding the world-wide inflationary waters to recede from Canada, when we are one of the great traders of the world involved with world prices, if he thinks that that is going to command the support of the sensible majority of the Canadian people at this time, then I do not believe he is thinking in politically realistic terms.

The government is doing everything reasonably possible to maximize our own supplies, in the process increasing national output and incomes and employment, while at the same time minimizing the erosion of the incomes of those who stand to be most hurt by inflation. It is important that we ensure that our rate of inflation in Canada does not significantly exceed that of our leading industrial competitors. That puts a heavy responsibility on all Canadians. It puts a responsibility on business not to seek to raise prices in order to meet every rise in costs. But their profit picture is improving. It puts a responsibility on labour to ensure that, although they get a just return, they do not try to escalate that return. It puts a responsibility on governments, federal and provincial, not to aggravate inflationary pressures. If this is not done, the result of such a course could only be an accelerating spiral of costs and prices that would intensify inflation, jeopardize Canada's international competitive position and impede the growth in future of production and employment. We have been down that rocky road before and I do not believe many Canadians want to travel it again. I hope and I believe that we Canadians have enough plain, ordinary commonsense to avoid that destructive course, and instead that we are going to work together under realistic policies to meet the world as we find it and achieve the goal of steadily improving a standard of living that all Canadians can share.

• (1640)

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the debate on the cost of living in Canada has unfortunately taken on an aura of windy familiarity; a windy and unsubstantial familiarity, I might say. Nothing new has been added during the debate on this subject which actually began last Monday. On the one hand, the Leader of the Opposition (Mr. Stanfield) has reiterated Conservative policy of systematic controls on everything in the country, systematically disregarding all the available evidence as to the utter disaster resulting from such controls in the United States and in Great Britain, and thus totally ignoring relevant evidence which it seems to me any responsible political party should be considering before offering a convenient political gimmick that may or may not be appealing to some sections of the population of Canada. On the other hand, we have heard the Minister of Finance (Mr. Turner) in reply deal with nothing new, except to point out in reference to interest rates what his government did a few years ago in allowing the banks to get into the mortgage market. I want to deal with that point at some length in a moment.

We watched the Minister of Finance provide great emotional blather for his Liberal troops by referring to the contradictions offered by the Leader of the Opposition, without announcing anything new in the way of policy. The Minister of Finance has correctly reasserted that his government has taken steps to ease part of the problem of inflation in terms of the incomes of our senior citizens, the incomes of our veterans and the incomes of Canadian families by way of family allowance increases, and so on.

The government has taken some steps, and in any honest appraisal of what this government has done compared with other governments elsewhere, certainly in terms of comparison with the kind of massive controls proposed by the Conservative party, these have to be acknowledged and some credit has to be given.

I remind the Minister of Finance, however, that when he denigrates the Conservatives and then talks about imposing selective controls, in which we believe, it is his government that has refused to put teeth into the Prices Review Board, one creation he cited as one of the government's courses of action. His government refuses to put teeth into that board, giving it the authority to roll back prices where profiteering or price gouging can be shown to exist. Where this government has failed to act it must be held responsible. Of course, the Conservative party, when it had the opportunity to put its vote where its mouth has been recently, refused last week in the Food Prices Committee to support an NDP motion which would have had the effect of putting teeth in the Prices Review Board.

Some hon. Members: Hear, hear!

Mr. Broadbent: In the time I am allowed today I want to say something in concrete terms, for a change in this debate, and put forward some specific proposals to deal with a major aspect of the cost of living, namely housing.

In spite of all the talk, understandable and acceptable talk we have heard about food costs, which have been increasing, particularly in the past month, I would remind the Minister of Finance and other members of this House that according to the monthly breakdown of the consumer price index by Statistics Canada, which shows how the average family spends its money, housing is a much more important item. The report indicates that 31 per cent of those points allocated to the cost of living by Statitics Canada are related to housing. Only 25 per cent of the average family's typical budget goes toward food. That was the reason for my motion today under Standing Order 26 on behalf of the NDP. I suggest we should zero in on the important question of housing costs, and that we should deal with interest rates, particularly mortgage interest rates, because these affect every Canadian whether he lives in rural or urban Canada.

It is in this precise area, no matter what else the government has done in other areas, that the present government has demonstrated a clear bankruptcy of policy. In passing, I would suggest that the Conservative party has not offered one shred of evidence that its alternative policy would result in any improvement over the government's policy.

Mr. Nowlan: Why don't you go to the conference this weekend and give them some ideas?

Mr. Broadbent: Listen, my friend; I will try to do precisely that in the next few minutes. The present government in terms of its housing policy, and I should say that the Conservative party when it was in office from 1958 to 1962 followed exactly the same policy, has really determined a national housing policy in Canada by acting wrongly on the basis of two combined principles. First, the government has used housing, and we see this in the interest rate situation that exists today, as an instrument for stabilizing the Canadian economy. Second, the government has relied on incentives as the key to the financing of housing in Canada. The combination of these two approaches is exactly what has put housing in this country out of the reach of the vast majority of our families.

The grotesque, and I use that word with care, injustice of using housing policy as one instrument in monetary and fiscal policy should be clear to all Canadians. When we think of housing in comparison with schools, would any government in Canada think of tightening or loosening the screws on the building of schools as a response to an inflationary or deflationary situation in the economy? I hope no government would do so, and I expect none would as the population of Canada would not accept that kind of policy. People in Canada have come to expect that schooling is a basic right of everyone, and they would throw out of office any government which decided to build or not to build schools on the basis of an inflated or deflated economy.

I suggest that this government and its Conservative predecessor still maintain that approach to housing. If this is the time to deflate the economy, as obviously it is according to the understanding of the Minister of Finance, instead of separating mortgage interest rates, for example, from the rest of the interest rate structure, and I will come to that in a moment and show how it could be done, he leaves mortgage interest rates as part of the general interest situation.

The Minister of Finance rather proudly suggested a few minutes ago that the banks in Canada, those noble institutions, were going to guarantee that mortgage money would continue to be available. What he neglected to mention, of course, is that they will guarantee the availability of that money at 10 per cent, which is just short of the highest mortgage interest level in Canadian history. If the interest rate increases announced yesterday by the banks are allowed to take their course, I predict on the basis of a small "c" conservative estimate that within a month the NHA mortgage rate will hit 11 per cent in Canada which will be the highest level in respect of NHA rates in the history of the country.

● (1650)

This government should not take any pride at all in such a course. The Minister of Finance alluded with some pride to the fact that a few years ago the banks were encouraged to enter into the mortgage market. He was quite right. They were encouraged by this government. That is only one part of the whole series of profit-based methods which this Minister of Finance and his predecessor used to deal with housing. I should like to show how that led to the very high cost of housing we have in Canada today. It is typical of this government and its Conservative predecessor that instead of dealing with housing in the way in which we deal with schools, on the basis of need, they try to generate housing on the basis of profit incentives. This has not worked.

First, in 1967 the Liberals freed the bank rate for mortgages which had been fixed at 6 per cent. They thought this would bring down the price and increase the supply. In 1969, on the recommendation of the then Liberal cabinet minister responsible for housing, the hon. member for

Trinity, (Mr. Hellyer)—he is perhaps as comfortable in the Conservative party as in the Liberal cabinet—the NHA lending rate which had been fixed at 6½ per cent was released and permitted to be established by market forces. Again in 1969, and again on the advice of the hon. member for Trinity, the roll-over principle was added to mortgage financing. This enabled a renegotiation of the interest rate on a mortgage every five years. At that time he said that if interest rates went down people would be able to get a lower interest rate on their mortgage after five years. Of course, interest rates have have never gone down but have gone up constantly. Finally, in the spring of this year, Bill C-135 was introduced as a new and exciting measure intended to bring millions of dollars into the mortgage market! Once again, in the words of the present minister in charge of housing, the basic principle involved in the bill was "enhancing the attractiveness of mortgage investment". What that means, of course, is to provide more profits to induce more capital.

What has this series of four steps over the past six or seven years of the Liberal government, incidentally supported by the Conservative party, led to? First of all, the most important and negative effect of these profit-oriented initiatives was to destroy the moderate and low-income housing market in Canada. By generating a significant increase in mortgage funds at unrestricted rates of interest, builders and land speculators in Canada were encouraged to concentrate on high-priced housing where profit margins are greater as everyone knows. This meant that during the Trudeau years, 1968, to 1973, moderately priced housing almost disappeared from the private market. So far in this year, the national average price for housing has gone up by a further 18 per cent. The sole beneficiaries of this kind of policy are the wealthy, either as consumers of expensive housing or as controllers of the building industry.

Like previous tinkering with the mortgage market the minister's new bill, which we have been told will be brought back to the House next week, will be great for investors but will not be helpful to the average Canadian. The minister expressly stated that his proposal entailed no direct market intervention by the government either to stabilize the price of mortgage funds or to ensure an adequate supply. In other words, the government will not ensure that mortgages will be available to those who need them at rates they can afford. Conservatives, I might add, support that bill completely. Under the government's proposal, housing investment would be permitted to seek its maximum profit level without any consideration of social need. From the point of view of investment, housing will remain essentially a commodity like soap, beer or deodorant. If it pays, money will come in and the consumer will be charged what the traffic will bear.

It is no wonder that the financial community in Toronto and elsewhere expresses support for the legislation and urges members to give it speedy passage. It is no wonder also that the Conservative party has added its support. The simple fact is that the market method of dealing with mortgages has not worked. As I said a minute ago, with the interest rate announced yesterday by the Bank of Canada I predict that we will have an NHA mortgage rate of 11 per cent within a month. What this policy has meant is not more housing for the average Canadian but rather the highest profits for the banks and financial institutions in the history of Canada. Bank profits between 1967 and 1971 increased—at an annual average rate of 19 per cent. Between 1971 and 1972 bank profits increased by 20.4 per cent. The Toronto-Dominion Bank, the Bank of Montreal and Royal Bank showed mid-summer increases of 50 per cent, 46 per cent and 37 per cent respectively.

During the period betwen 1966 and 1971, the profits of the banks in Canada increased by 85.3 per cent compared to other sectors of the economy, such as industry, where profits increased by 14.3 per cent, manufacturing where profits increased by 11 per cent and mining where profits increased by 10.2 per cent. Because I wish to make a specific proposal, I shall omit further documentation of the fantastic rip-off that has been accomplished by our financial institutions. I say with all seriousness to the Minister of Finance and to the Conservative Party of Canada that far from leading to the production of more houses which the average person in Canada could buy, the whole reliance on the profit incentive, the whole basic decision to leave mortgages within the market system has simply led to the highest profits in the history of this country for our financial institutions.

I wish to make a specific proposal now. It should be clear, if the government wishes to act in order to provide housing, that it could take the following four steps and in that way do something in the days ahead to provide the necessary housing for those who need it. First, the federal government should establish a central mortgage fund section within a newly constituted ministry of housing and urban affairs. This section would direct banks and other federally-chartered financial institutions to allocate a substantial portion of their annual investment to residential mortgages at a rate not exceeding 6 per cent. Second, the mortgage allocation requirement for each lending institution would be related to the level of its own annual investment, to its liquidity needs, and to the national housing needs for a given period. Third, the regional and income distribution of mortgage funds would be determined by the minister responsible for housing. All Canadians would be eligible for the 6 per cent mortgages but priority in allocation would go to those of average and below average family income. Fourth, if the approved lenders, such as the banks and trust companies, do not allocate their housing mortgage quotas, they will be required to transfer the unfulfilled portion of the 6 per cent interest rate to the central mortgage fund which will lend the funds directly to implement the established housing priorities.

If this four-point program were implemented by this government or by any other government it would save the average family about $1,000 a year in mortage payments alone. This approach must be considered along with other steps which must be taken in respect of housing, but if implemented it would begin to establish housing policy on the basis of social need and social priority on a parallel with medicine, which we have taken out of the market, and on a parallel with schools which we took out of the market sometime ago. I say that this kind of action is long overdue. The present policy of the government, which refuses to extricate mortgage money from other interest rate considerations, will serve only to perpetuate profits by our banks and will not provide homes for people who

need them. If the government wants to take a step now to deal with inflation, a step that would be relevant to most Canadians, it should accept a number of the suggestions I have just made and bring in legislation in the next few weeks. We would guarantee speedy passage, and I am sure that Canadians from coast to coast would be pleased.

● (1700)

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, we have before us a motion enabling us to discuss the uncontrolled and inflationary thrusts, as shown by the figures on the cost of living.

Mr. Speaker, as most people do we are wondering if the government can do something. It is obvious that the government could act and if no efficient step has been taken up to now it is not, in my opinion, due to a lack of authority or information, but it is rather a form of inaction bordering on complicity and, in the present system, I suppose, similar conditions must be expected.

In short, this government having been elected by financial magnates, it is clear that they must be reimbursed now and they must even make reserves in anticipation of the next election.

It is true that the government has recently adopted legislation to fight inflation. However, we can rightfully be in doubt about the outcome of these measures. The proposed aim may appear honest, but the expected outcome may not only take long to materialize but fail completely because some of these steps seem to me to be based on wrong assumptions. And among those which are offered now, I take the liberty of singling out some reports published by Statistics Canada, including last spring's edition which argued that the cost of living had increased by 41 per cent since 1961.

Together with the majority of the people, I claim that the published figures are completely wrong, ridiculous and unrealistic. We know quite well that in 1973, we cannot buy with $100 what we could obtain for $50 in 1961. On the other hand, a survey made recently by an independent firm, still honest apparently, claims that in 1949, for instance, it cost a family of four $47 a week to live whereas today the same family spends $147.

However, to come back to Statistics Canada, I take my hat off to the officials who amuse themselves juggling around consumer price figures. The reports and figures of those civil servants prove that they are real acrobats. They adjust figures, start their calculations over again on the basis of that ingenious device called the "consumer price index" which dates back to 1939, that is, the year where economists playing heads or tails decided it would serve as basis for graduating the economic thermometer. The scale was based not on the sea level, nor did it start at zero, but on the figure 100. That had been selected as a basis from which they would play at adding or subtracting, according to any decrease or increase in prices.

In 1949, the indicator had already gone up to 169 compared with 1939. The government of the time then wisely took the decision of bringing the indicator back to 100, that is without taking into account increases registered between 1939 and 1949.

In 1961, the thermometer was already up to 129. The government therefore plucked up courage and, facing its responsibilities, took a decision heavy with consequences, that is to base again the scale on the figure 100.

Since then, about fifty investigations have been launched by the government to study all kinds of things, including poverty and all the other problems which could be of interest to the population. Eventually, in July 1973, the index, which had come down to 100 in 1961, had gone up to 151 already, which amounts to 193 as compared with the figure of 100 selected for 1949.

Mr. Speaker, if I allow myself to question those figures, it is because the events are offering me the opportunity. Since then, those belonging to mighty unions, for instance, besides asking for increased salaries, are now adding another parameter, namely the cost of living. A union leader was saying a few days ago that the increase in salaries obtained by united workers with great difficulty for a period of three years had been completely nullified. However, those working for big companies, or who are members of big unions, succeed in negotiating, and will be able for some time still to cope with the rise in the cost of living. However, we should seriously think about the non-organized, about those whose salary has been frozen for years and also about the pensioners whose income has been frozen for years even though they must pay for a loaf of bread the same price as those earning over $200 a week. Thousands of average salary earners are today poverty striken.

In my opinion, one of the reasons for this inflation is because we are still living under a monetary system which was tried 100 years ago and received no improvement while, in the meantime, everything was modernized. Everything is going fast whether it be in the field of trade, industry or any other area. But thanks to all kind of innovations, thanks to science, the average citizens should expect their working hours to be reduced and to enjoy longer vacations. The worker is no longer alone; he is assisted by all kind of machines. From the most modern computer to the heaviest machines, the white collar, the worker and all classes of society should benefit from marvelous inventions.

Unfortunately, the contrary is happening. The man replaced by a machine becomes unemployed. The man who sees all kind of new methods used finds himself without work and, unfortunately, those lucky enough to be on a pay list have to pick up the tab. This money used to pay for social welfare benefits, unemployment insurance benefits, pensions of all kinds, is taken from the wallet of those who are working. Financiers and big companies have been exempted from taxes at the expense of the worker. In 1940, the tax percentage paid by the worker was 40 per cent; it is now over 80 per cent. This is one more reason for inflation.

Finally, we also know that the worker who had to borrow to build his house has to pay for it three times over. He will pay the actual price to the builder of the house and twice as much to the finance company. So, in addition to paying his house three times, the man who has a job must pay for everything given to his neighbours. It is to break that vicious circle that we Creditistes propose that the amounts paid out in the form of pensions of all kinds in Canada be taken out of new credit.

There was talk about freezing prices and salaries. Mr. Speaker, if interest rates on bank loans are not to be frozen, if taxes are not to be frozen, why pick on salaries which represent a very small percentage in comparison with sale prices on finished products. We know that in the United States, for example, in the heavy industries the percentage of salaries represents only about 3½ per cent and in Canada, we also know that in the heavy industries the percentage of salaries included in finished products represents only about 4 per cent, whereas, for example, the cost of salaries in comparison with the cost of producing food for major industries represents only 8.8 per cent of the value of those products sold on the market, the profit on the other hand being 25 per cent, and it is 66 per cent on the cost of raw materials.

Mr. Speaker, in view of those facts, it would actually be criminal and inequitable to consider imposing a ceiling on salaries, since the sore is not there.

● (1710)

Since according to the present pricing system, the public must assume all the production costs for a given period when it should only be paying for the total consumption during this period, the purchasing power/production costs/sales price ratio would be better balanced if current wholesale prices were modified by means of subsidies like those that the right hon. Prime Minister (Mr. Trudeau) has already started to suggest, so that the relation between modified and current wholesale prices be the same as that between total production and consumption.

Therefore, Mr. Speaker, we Creditistes recommend that this adjustment to the economy be made along these lines: First, wholesalers could be asked to register at their bank to obtain the subsidies related to wholesale prices. Second, registered retailers would commit themselves, according to the registration, to maintain all their gross profits at a rate not exceeding the rate agreed to, after consultation, as being the equitable rate of profits within their respective group.

They would also be required, as an evidence that they complied with their commitments, to submit twice a year a duly audited financial statement.

Third, these retailers would in turn be allowed to sell their goods at a discount price, according to the above mentioned formula, at a rate that would be regularly announced by the Bank of Canada.

Let us assume, for instance, that this rate is set at 25 per cent; retailers would get 75 per cent of the price of their goods from the public at large and 25 per cent from their bank, that would be reimbursed in turn under an agreement with the Bank of Canada.

Fourth, together with the passage of the above mentioned measures, all rents, wages and salaries could be reduced by, say, 10 per cent, which would reverse the inflationary trend that results from increasing costs of production. Needless to say that before reaching that point, the corporate income tax and the sales tax would have to be reviewed. And as far as the sales tax is concerned, it would even be desirable to abolish it.

[Mr. Godin.]

Mr. Speaker, this price adjustment I have underlined cannot be implemented before a change is previously made in the financial system.

We Canadians remember the commitments of the right hon. Mackenzie King in 1935. And if a change was necessary at that time, this measure has obviously become a national emergency; therefore, this is the aim that all Social Credit party members who want to deal efficiently with an expensive social life, have been trying to reach, and we will continue in our effort, Mr. Speaker, because I think that it is important. We will have to reach our goal.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, some comments have been made by members opposite concerning the number of members present on this side of the chamber. They know that a most important function is being held at this time in this city, the capital of Canada, and that some of our people have a legitimate excuse for being out of the House. However, I thought that if members of the official opposition had been serious about the motion they moved, their benches would be filled. As you will have noticed, Mr. Speaker, those benches have been rarely full on any of the motions they put forward.

Mr. Hees: It isn't quantity but quality that counts.

Mr. Whelan: The hon. member is talking about quality. That reminds me of a letter that appeared in one of the local newspapers. I am sure the Leader of the Opposition (Mr. Stanfield) would be interested in it. The letter read in part:

> On September 8 I visited Simpsons Sears store on St. Laurent Boulevard. I selected four pairs of men's underwear. Each package showed signs of recent removal of the price stickers. A salesman told me the price was $1.75 each. Then, I noticed another identical package with a price sticker of $1.50. Questioned about this, the salesman said the price had just been increased, and the stickers were being changed for this reason.

I suggest that since the Leader of the Opposition knows so much about this product the letter writer should contact him immediately.

When we introduce programs to aid people, criticism is made loud and clear in the House to the effect that we are freezing people into fixed prices. That was done today. Here, I refer to the program I announced providing 5 cents a quart aid to consumers of milk in those provinces entering into the agreement. Nothing could be further from the truth than that we are freezing them into set prices. It is clearly stated in the agreement that either party can re-enter negotiations if things change drastically one way or another, and I point out that the province of Quebec has agreed to that. We are not freezing prices at any level. We are aiding the consumers and the producers at the same time.

The Leader of the Official Opposition talks about a 90 day freeze, and I have heard the hon. member for St. John's East (Mr. McGrath) make glowing speeches about it. Mr. Speaker, I have here the price index for fish and a comparison with other foods. I wonder if the hon. member for St. John's East would have the guts to go down to his own constituency and tell the people there, "My leader wants to freeze you people at your present level of wages,

you who have not reached the same level of wages as people in other parts of the motion. He wants you to remain at two bucks an hour, $2.25, or whatever the wage is, and leave people in other parts of the nation earning $5, $7 or $10, because he thinks you fishermen are getting too much."

Is that what the Leader of the Opposition is talking about when he mentions a freeze? He has never explained it in this House in a way that makes sense to any fisherman or farmer. Actually, it does not make sense to some of his own members because they are not here to support him.

Mr. Stanfield: There are a lot more of them here than Liberals.

Mr. Whelan: Has he anything to offer to guarantee production in this country? Members of the official opposition talk about instability, but when they urge a 90 day freeze they are causing instability because then people do not want to invest in livestock or other production. I blame them as much as anybody else. I blame the whole program that they have been bombarding the country with, and I say that all they have to do is look south and see what happened with a freeze there.

Mr. Woolliams: They are looking north and seeing what is happening here.

Mr. Whelan: And I can tell you they are really interested in what has been happening here. They only wish they could be about 50 per cent as successful as we have been.

There is a strong relationship between high food prices around the world and inflation around the world. No one will deny that relationship. There is a completely false rumour that high food prices are causing inflation. I am no economist, Mr. Speaker, and thank God for that, but even I can see that this is putting the cart before the horse. Inflation has caused higher food prices and it was the last area to move up, in all nations. Indeed, in many cases it was high time that the primary food producer got higher prices. The failing confidence of people in the various monetary systems of the world caused them to buy commodities, including agricultural commodities, that they never bought before rather than hang on to currencies that they considered unreliable.

● (1720)

People in North America have been buying food like never before. I have said it before and I will say it again: inflation is partly the fault of politicians and the people in the media who create a fear of food shortage by using headlines such as "Food Will Be Rationed", Food Will Be Scarce", "Prices Will Skyrocket" and so on. It is well known that the sale of home freezers has never been as high in the history of North America. There is more food stored in basements and utility rooms of homes than ever before. In some cases, people have not one or two but three freezers full of food, and they are still buying on the fresh market.

An hon. Member: How many freezers have you got?

Cost of Living

Mr. Whelan: I have always had a freezer, Mr. Speaker. Recently I sent out a newsletter in my constituency telling people that they should conserve food when it is abundant rather than let it go to waste. It may shock some people but in the part of Canada where I live, tons and tons of food go to waste. I do not see the hon. members from the Hamilton area in the House, but there is a big problem now in Hamilton with the food that people throw away. It is estimated that our affluent society throws away from 10 per cent to 25 per cent of the food it buys. Some nations would be envious of the food discarded by our posh restaurants, even those in this city today.

I have before me a cartoon or a picture which appeared in one of our newspapers today. The wording under the picture indicates that the world knows Canadians can afford steak only once a week, and the picture shows a starving African eating the newspaper. We are amongst the luckiest people in the world, Mr. Speaker, there is no denying that. In an article in one of our daily newspapers recently the reporter compared the food he bought for his family on August 27, 1963 with what he bought on August 27, 1973 and compared his present earning power with that of ten years ago. He proved that he can buy more food now than he could ten years ago. I think there have been some instances where food prices have been too high, but I do ask people to be honest and factual.

Financiers have hedged or sought security in buying commodities and it is at this point that speculators have had a field day. This has caused chaos in the livestock and poultry feed area in our nation. Because of the protein shortage in the world there has been speculation in soybeans. We are expediting all kinds of programs to produce protein but climatic conditions, etc. allow us to do only so much. Soybean speculators all around the world increased the price of soybean protein to livestock and poultry producers from $109 per ton a year ago to over $500 this year. Nothing much could be done about that because it was a world problem but the price has recently dropped from $360 a ton to $202 a ton.

Farmers do not like to be treated like a yoyo, Mr. Speaker. We hear some economists or professors say that we could get rid of half the farmers and put them on welfare. I say let us put half the professors on welfare because I do not think we need them.

Some hon. Members: Hear, hear!

Mr. Paproski: Your whole staff.

Mr. Whelan: There is a surplus of professors, but they get nice jobs in universities and are not subjected to every whim or fancy of our society. Our farmers do not want to be indentured, they want the stability that the professors have but which the professors would deny the farmers. My economist friends—and it may surprise some people that I have friends who are economists, Mr. Speaker—tell me that agriculture is a pretty important sector of our economy. They recognize that more now than they ever did before, not only because of the actual production, but also because of its job and wealth creation, helping to improve the standard of living of all Canadians.

The Agricultural Economic Research Council calculates that agriculture influences 42 per cent of our economy.

When agricultural output increases by $1,000, total economic output rises by $3,000. When you calculate new income and new output on top of that, the total economic impact is $5,000. The healthier, stronger and more competitive the agricultural economy gets, the better it is for the nation. But it must be realized that when production costs go up by 13 per cent over the previous year, then the farmer is not to blame when the prices of the products he sells increase.

This government has, therefore, taken steps to assist farmers and help consumers at the same time. The opposition asks what we have done. Last night, Mr. Speaker, the crop insurance bill went through this House. That was just a small thing to help stabilize the income of farmers and provide some extra protection, working closely with the provinces. The opposition asks why we do not bring in more legislation. Well, that bill, with the explanatory notes, was only two pages long but look at the time it took to get it through. By means of the bill we pay half the premiums, which amounted to nearly $15 million this year because many farmers did buy the extra crop insurance. Members opposite were not interested in crop insurance last night when the bill was before us; they were only interested in trying to downgrade the Minister of Agriculture. But, Mr. Speaker, a lot of farmers think he is trying to do a good job.

Some hon. Members: Hear, hear!

An hon. Member: Just keep blowing your own horn!

Mr. Whelan: Some of them did not even talk about crop insurance but talked about the Minister of Agriculture. If they wanted to show their sincerity, why did they not pass the bill quickly and say "Mr. Minister, bring in all kinds of legislation and we will pass it right away"?

• (1730)

The record shows what this government has done. The Minister of Finance (Mr. Turner) stated how we had reduced income taxes as a way of stopping inflation. We have wiped out the capital gains tax on family farms passed on from one generation to the next. No other nation in the world has done that. There may be some members on the opposite side who honestly and sincerely supported that measure. However, they knew it would have been very bad politics not to have supported it. This Minister of Agriculture can take a little credit for that.

Some hon. Members: Hear, hear!

Mr. Whelan: For many years before coming here I worked with farmers for no pay whatever. I sacrificed my farm to come here and work for them. Canada is one of the greatest countries in the world. It lets a peasant come here to work for his fellow peasants.

Some hon. Members: Hear, hear!

Mr. Whelan: If we had full co-operation from the opposition we could do an even better job for the producers of this country than we are doing at the present time. We have increased the old age pension and veterans allowances. We have proposed a complete overhaul of our social security system, including major increases in the family allowance.

We can compare time limits. Members know how quickly they acted on veterans affairs legislation. They realized this group was more powerful and more organized. When it came to the farm bill, they said they did not care, it was not important. The hon. member for Annapolis Valley (Mr. Nowlan) said it was not an important bill. He criticized the minister in charge of the Wheat Board (Mr. Lang) because he did not know Annapolis is a great agriculture area. Last night the hon. member did not even know how to pick mushrooms.

Mr. Nowlan: Mr. Speaker, I rise on a point of order. I am certainly not going to repeat the interesting debate of yesterday. I confess I do not know how to pick mushrooms, but I certainly know a ripe tomato that is ready to fall, and I think the Minister of Agriculture (Mr. Whelan) fits into that category.

Mr. Whelan: All I can say is that I know you can make good cider when there is a windfall of apples. However, the hon. member said he does not know about the production of mushrooms. But what he has said here tonight grows mushrooms. It is called biomass material.

We have enabled this country to set three grain export records in a row and are shooting for another this year. We have been able to introduce quota freedoms of the kind that allow a farmer to grow what he wants, and sell it.

Some hon. Members: Hear, hear!

Mr. Whelan: We reduced freight rates on rapeseed. We bought 2,000 hopper cars. This has helped us set one transportation record after another at Vancouver and Thunder Bay. We have assisted the provinces in crop disaster areas. We raised the compensation for diseased cattle in this country. That was done before any representations were made.

Some hon. Members: Hear, hear!

Mr. Whelan: We are in the midst of one of the most thorough and open examinations we have ever had in Canada of our entire grain handling and transportation system. I do not think any other nation in the world has done this. We are implementing an interim feed grains policy and have put forward proposals for a permanent one to be effective August 1, 1974. This is a completely revamped national feed grains policy, one that will open new opportunities for farmers in the east and in the west. It will allow meat production to develop in areas of natural advantage which in turn will increase production on a competitive basis.

We have introduced a small farm development program and eight out of the ten provinces now have operational programs under agreement with us. When we first brought out this plan, there was a lot of political noise and flak from the provincial leaders, but they have since seen the wisdom of our policy and have teamed up with the federal government to help us develop profitable family farms from coast to coast. We have called one of the most advanced meetings ever and I will be making a presentation to the provincial ministers of agriculture.

When we introduced stability programs into this House the opposition raised hell. They said they were not any good. However, when I was in Charlottetown the provincial ministers asked for stability. At the economic conference in Calgary they wanted stability. What do the farm leaders say in their letters to the minister in charge of the Wheat Board and to myself? They want stability. The opposition are still critical of that. We have the most revolutionary program for beef grading and beef production that any nation ever had.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the minister, but his time has expired, although I did allow an extra minute because of remarks made by other members.

Mr. James Gillies (Don Valley): Mr. Speaker, I listened with great interest to the remarks of the Minister of Agriculture (Mr. Whelan) and the Minister of Finance (Mr. Turner). The Minister of Agriculture catalogued events that have taken place which have nothing to do with the problems we are debating today, problems which I hoped would be debated seriously. I do agree with one thing he said. The high cost of food is not the cause of inflation but is a result of inflationary forces and also of the high cost of production which the farmer has to bear today.

The Minister of Finance made remarks that kept his record clear. He made a speech on inflation without mentioning what the monetary and fiscal policy of this country is; without discussing any of those matters which all agree are the most dramatic and important reasons for the inflation we have in this country today.

The minister said the difference between our two parties is the interpretation of how important the demand factors in the world are versus the cost-push factors in the Canadian economy. I assure him that the difference between the parties is much more different that that suggestion implies. We have a totally different understanding and feeling for the needs of the Canadian economy at this time.

I speak in this debate with a very heavy heart, because it is clear from the speech of the Minister of Finance that absolutely no new ideas for controlling inflation are being considered. There is no recognition or understanding of the changes that have occurred in the national economy, and there is no recognition of the changes that have occurred in the international economy over the past couple of years.

We are going backward to the terrible policies of the past by saying that we can solve the inflation problem in this country only by causing another recession. This seems to be the position of the government. Surely we do not have to go through that again. Surely we can manage our economy better than going from a 7.2 per cent rate of unemployment two or three years ago to our present rate of inflation of 8 per cent plus.

The Minister of Agriculture referred to the experience in the United States with its control problems. They have problems indeed. However, the fact is that the inflation rate in the United States is substantially less than that of Canada at the present time. The rate of increase in inflation in Canada has been greater than the rate of increase in the United States. In 1970, the inflation rate in Canada was in the neighbourhood of 2.2 per cent. Today it is over 8 per cent. Why did we have a 400 per cent increase in the rate of inflation in that period of time? No other country in the world experienced a rate of inflation of that dimension. Why did it happen?

The minister says it is because of worldwide problems. Why are worldwide problems hitting Canada so much more severly than other countries? I can imagine a reporter going around the world and asking ministers of finance in various countries what they are doing about this inflation problem that is worldwide. I get the impression that because it is a "worldwide problem"—I put those last few words in quotation marks—the Minister of Finance washes his hands of it in Canada. But surely Canada has a major responsibility to do something about inflation, just like every other country in the world.

● (1740)

If you went to Australia, the minister of finance there would say, "We have looked at this problem, we have adopted an incomes policy and we have reduced the inflation rate." If you went to Israel—I am picking countries at random—you would find the government had instituted a 90-day freeze. If you went to England you would find they were trying out an incomes policy. In the United States, too, they have adopted an incomes policy. Every country in the world is trying to do something, except Canada. We seem to be content to say that this is a worldwide problem, we have no responsibility for it and there is nothing we can do about it.

There is no question that there has been an increase in world demand. I apologize, Mr. Speaker, for appearing to be professorial and intense about this, but I feel strongly that we are on the road to disaster unless we do something to correct the situation. Of course there is a worldwide demand. But why has the demand been so heavy in Canada? What has happened is that there has been a devaluation of the American dollar of immense proportions. That devaluation has affected prices as far as foreign buyers are concerned and the enormous impact on America is being felt here in Canada. There is no way in which the economy in Canada can be moved forward again unless we are willing to face the fact that we can no longer accept what is going on on a continental basis as automatically good for canada if we with to ensure a high standard living and a reasonable price stability in the Canadian economy. The evidence is absolutely clear on this particular point.

The situation we see today, the measures the Minister of Finance has brought in, seem to me to represent a contradiction in objectives. He says on the one hand that what we are going to do is increase interest rates and on the other increase the money supply. There are real differences of opinion as to what the result of raising interest rates will be. The evidence now seems reasonably clear that in a high inflation situation an increase in interest rates is not anti-inflationary. Rates are looked at as costs and they are passed on. There is certainly no question that this is the situation in the housing market, as was pointed out by the hon. member for Oshawa-Whitby (Mr. Broadbent). There is also no question that we have always used a housing cycle as a way in which to try to stabilize the

economy, an inefficient and inhumane method which will not work any more.

A major reason for the inflation facing this nation at the present time may be found in our monetary policy. The rate of increase in the money supply in this country between 1970 and 1973 has been roughly in the neighbourhood of 50 per cent, whereas the real increase in our gross national product over the same period of time is probably somewhere between 9 and 11 per cent. Now, Mr. Speaker, to increase the supply of anything by that dimension will cause its value to go down. Of course the purchasing power of the Canadian dollar has gone down. It is because we have practised no restraint whatever on the money supply. The Minister of Finance, now, I grant, has recognized this, but he is afraid to lower the boom on it. He says instead, "We'll put interest rates up, but we won't reduce the money supply." The only thing that happens in such a situation is that you get expensive money. What we find, therefore, in the Canadian economy today is not only the beginning of a tight money policy, but an expensive money policy.

What good does it do to try to counteract inflation by throwing interest rates up? It does not do any good at all. It seems to me that for the minister to announce today, through the Bank of Canada, an increase in the prime rate while at the same time there has been an increase in the money supply during the first six months of this year of approximately $6 billion, is a totally self-defeating proposition. It will only lead to more inflation. It is bound to. And there is no question in my mind but that the old cost-push element in inflation is going to come back. There is just no question about that.

Certainly one of the functions of the Department of Finance and of a government is to try to recognize what is going on and what is clearly on the horizon, and to try to do something about it. It seems to me, looking at the situation, particularly with regard to the labour market and the profits being earned by many corporations, it is self-evident that the cost-push inflationary element in the economy has not gone away. It is blindness to the point of tragedy not to support a monetary, fiscal and exchange rate policy with an incomes policy.

We in our party have tried very hard to get the Minister of Finance to tell us what the government's position is with regard to its international exchange rate policy. Three times we have asked him to speak on motions and tell us what position Canada intends to take at the meetings of the International Monetary Fund. We have asked this simply because no country in the world will be so affected as Canada by what happens at those meetings in Nairobi. We are one of the world's great traders and much of our future is riding on these fast approaching meetings.

Why is the Minister of Finance unwilling to make a statement about this most important matter, Mr. Speaker? If we accept blindly a proposition involving some sort of continental North American exchange rate, the consequences could be just disastrous. If, out of the operations in Nairobi, nothing emerges to solve, for example, the energy shortage facing the United States, or the U.S. balance of payments problem, and the United States dollar floats to, say, 40 cents on world markets, just think what this will mean in terms of its effect upon Canada, and what it will do to our domestic economy.

For the Minister of Finance, especially today, to get up in the House at a time like the present, when we are concerned about high inflation, when unemployment is increasing, when the rate of increase in the GNP in the second quarter has fallen short of expectations, and fail to tell us what the government thinks about the changing structure of world trade in relation to Canada, what it thinks about exchange rate policy, what it thinks about interest rate policy, why it is disinclined to use new methods in an effort to get inflation under control, is the height of irresponsibility.

Some hon. Members: Hear, hear!

Mr. Reid: Those are not the questions your leader asked, and those are not the terms of the resolution.

Some hon. Members: Quiet!

Mr. Gillies: I do not care about the particular nature of the speech made by the Minister of Finance, but I really care about what is happening to this country and I am concerned because there is more uncertainty, more unease about what is happening in the world economy than at any time since the 1930s. I ask members to read the 1927-28 editions of the *Manchester Guardian*. They would think they were reading today's edition of the Toronto *Daily Star*. Why? Now, as then, international exchange rates have broken down, there is high inflation, and ministers of finance are saying nothing can be done.

I think that can be done. That is why I am arguing so strenuously. It is a tremendous disservice to Canada for anyone to say there is high inflation in Canada but you cannot do anything about it; monetary and fiscal policies don't work and exchange rates don't matter. This is doing a great disservice to Canada. As I said last Monday when I alluded to this topic, it is exactly the same as people in the thirties saying it was impossible to do anything about the depression. These problems can be solved, but we cannot come to grips with them in the House of Commons until the Minister of Finance is willing to tell us what is the basic philosophy of the government with regard to exchange rate policy, what its basic philosophy is with regard to fiscal policy, what its feelings are about interest rates as cost-push factors, what it intends to do about monetary policy, and why it allows the money supply to increase while it raises interest rates.

● (1750)

In the situation we are in today, which has all the seeds for rising unemployment, it is totally unacceptable, in a debate of this dimension, for the Minister of Finance to make the speech he made today without explaining what is the policy of the government on these important issues. I agree with what was said by the Minister of Agriculture. What a great country this is, with vast assets and resources. But it is being mismanaged so badly. How is it possible to go from a 7.2 per cent unemployment rate to an inflation rate that is hurting so many Canadians in such a short time. No Canadian should have to worry whether he has enough income to get enough to eat or to get proper housing.

The Minister of Finance talks of supply policies. None of the things he mentioned in his speech were supply policies; they were income supplement policies, and I applaud them. But if we in this House think that we are going to come to grips with economic management through that sort of approach, then the Canadian people are going to have a terrible shock.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, would the hon. gentleman entertain a question?

Mr. Gillies: Yes, Mr. Speaker, reluctantly.

Mr. Turner (Ottawa-Carleton): I listened to the hon. gentleman's speeches both today and last Monday and his theme that there has to be a better way. I listened to his general criticisms of fiscal policy, monetary policy and exchange policy. Next time, would he put on the record in a positive fashion what his and his party's policies are with respect to fiscal, monetary and exchange policy?

Mr. Gillies: Mr. Speaker, if the hon. member's question is that he is asking for the advice of our party on how to better run the country, then I think we are quite willing to give it to him, and when the opportunity arises I will tell him more about it. But I should like to say that I have never felt that people who really do not believe in innovation and change can run such policies properly. I think a better solution is to go to the people of Canada so that we may form a new government.

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, I listened with great interest to the admission of defeat made by the Minister of Finance (Mr. Turner) when he described the measures that his government is taking to combat inflation in the face of this morning's headlines which indicate that those measures have obviously failed. I can accept to some extent his premise that inflation is due to world trends, shortages and supply problems with the money market, without accepting the inevitability of such forces any more than the hon. member for Don Valley (Mr. Gillies) in his obviously sincere comments was willing to accept the inevitability of those forces. After all, an economy is a man-made thing, and to accept the premise that we are in the grip of forces beyond our control seems to me to be nonsense. There are from within the borders of this country restraints that can be placed on the flow of money, restraints that can be placed on exports and imports, production can be increased, and the like.

In the minister's machine gun-like delivery the word "profiteering" early in his speech ricocheted off my ears. But the minister completely omitted this factor even as a spent bullet in the summary of his speech. In Canada we have a special problem. Certainly the forces alluded to in previous speeches are a factor, but we also have the factor of profiteering and profit taking and I should like to draw a distinction between those two terms.

Profiteering connotes the cynical profit-taking of businessmen who take advantage of inflation as a cover through which they charge all that the traffic will bear. We saw an example of this recently in Vancouver where prices were changed several times on articles. Were these store owners prosecuted? Were their licences to operate lifted? Were the customers ever repaid? No. Yet they were robbing the people of Canada as surely as the bandit who escapes from a store carrying a loaf of bread. A lady who stole a loaf of bread in Vancouver several years ago was jailed for one year. The judge told her that she need not have stolen a loaf of bread, that she could have got something from the garbage tin. I do not know how one draws a distinction between the two types of banditry.

I am not saying all businessmen are dishonest, heaven forbid. It is the hallmark of a laissez-faire economy that free enterprise connotes freedom to charge what the traffic will bear. The philosophy is summed up by the saying that honesty is the best policy, but business is business.

Where do abuses occur? According to the parade of witnesses who appeared before the trends in food prices committee, abuses occurred everywhere but in the witnesses' own areas of profit-taking. Witness after witness produced carefully documented briefs to show that their industry was not responsible. The poor food prices committee members, limited to about 12 minutes for cross-examination and questioning, could not break down the expert testimony of witnesses backed up by impeccable briefs to show their purity; and that is no reflection upon the members of the committee because certainly they were sincere in their efforts.

The result was—and I was on the fringes of the committee for some time—that we discovered that advertising did not ultimately add to the price of food but actually decreased it. I am not sure how that works; one would think that costs would increase in such a situation, but figures supported the idea and figures do not lie. Or do they? Even more enlightening was the brief of the Packaging Association of Canada. Here again we would all save money by using more packaging. But wait a minute. There was an article last March in the trade journal of the Packaging Association in which members of that association were warned in advance what would happen to them if they indulged in unrestricted profit-taking. I quote from that article:

> We believe, after reviewing the transcripts of the hearings and talking to some committee members, that the food industry in Canada will slowly by degrees be declared in the public interest.

Here is another quote:

> Further, we feel that eventually restraints on ROI—

Return on investment.

> —will be placed, perhaps in the 30 per cent range, as the food industry is eventually declared to be in the public interest.

Further—

The Acting Speaker (Mr. Laniel): Order, please. I regret I must interrupt the hon. member. It being six o'clock, I do now leave the chair till eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Reid: Mr. Speaker, before six o'clock there were discussions among the House leaders as to what might be

an appropriate length of time for speeches, and the suggestion was made that they should be of about 15 minutes duration. If there is unanimous agreement, perhaps that could be made an order of the House, excepting the hon. member who will be continuing the speech he began just before six o'clock.

Mr. Deputy Speaker: Is it agreed that speeches, after the hon. member who is to be recognized now, shall be 15 minutes in length?

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Deputy Speaker: It is not agreed.

An hon. Member: Who said no?

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I draw to the attention of the House that when the hon. member rose on his point of order there was not a quorum present; therefore he is out of order on his point of order.

Mr. Deputy Speaker: I think probably we should proceed with the debate. As far as the Chair could see, there was indeed a quorum present, otherwise the Chair itself might have been out of order.

Mr. MacInnis (Cape Breton-East Richmond): I can count.

Mr. Deputy Speaker: The Chair can count, too.

Mr. Ed Nelson: Mr. Speaker, before the dinner break I was in the midst of a quotation to illustrate the variance between the attitude expressed in the Packaging Association's brief to the trends in food prices committee and the attitude expressed in their own trade journal. Let me conclude that point with this brief quotation:

> The packaging industry's previous practice of charging what the traffic would bear or basing your price against competition is no longer valid.

That is a virtual admission it had been the practice to charge what the traffic would bear. I have been trying to distinguish between profit-taking and profiteering. Profiteering is the practice of changing labels to deliberately misrepresent prices in order to gain more profits. Profit-taking is the taking of profits beyond what might be considered reasonable. The hon. member for York South (Mr. Lewis), our leader, is recorded in *Hansard* as having given many examples of profiteering, including the B.C. Packers with an increase of 125 per cent in profits and a sales increase of only 25 per cent, the Silverwood Industry with a second quarter increase of 107 per cent in profits and an increase in sales of only 10 per cent. There is in *Hansard* about half a page of similar examples.

I do not think we can attribute the causes of inflation merely to factors such as short supply, monetary difficulties and things of that nature. We must also consider profit-taking and profiteering. What is the solution? Let us look at the Conservative party's solution.

An hon. Member: Why don't you offer one of your own.

[Mr. Reid.]

Some hon. Members: Hear, hear!

An hon. Member: They don't have any; they have to look at ours.

Some hon. Members: Oh, oh!

An hon. Member: After all, he is part of the government. Aren't you guys proud of him?

Mr. Nelson: Now that we have finished with the Conservative party's solution, let us look at the government's solution. What is the solution of the bigwigs?

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): It wasn't worth all the time we gave it.

Mr. Nelson: All right, back to the Conservatives. Who knows what the policy of the sorry Tories is in this House of Commons.

An hon. Member: We do.

Some hon. Members: Hear, hear!

An hon. Member: What about the sick socialists?

Mr. Nelson: Let me quote from their leader's policies. Certainly they do not include wage and price controls or a freeze, as the newspapers would have us believe, because we find these words of the Leader of the Opposition (Mr. Stanfield) in *Hansard* for September 10, at page 6378:

> First, let there be no misunderstanding. We have never represented a so-called freeze as the be-all and end-all, no more than a dentist would represent the freezing of a tooth as the treatment. Those who suggest we are presenting a freeze as a policy to combat inflation are misrepresenting our position.

Then if you read on you will find that he said:

> Our position is to put into place an economic stabilization plan incorporating for a temporary period strict mandatory controls of prices and incomes. The time we envisage for such strict temporary controls is in the order of 18 months to two years.

Then if you turn the page you will see that he uses the word "freeze" and says:

> In order to put such a program into effect, a short-term freeze on prices and all forms of income is needed at the outset.

He continues:

> The freeze period should be as short as possible.

So they either advocate a freeze or they do not advocate it. The policy that was enunciated in that statement was referred to in this morning's *Globe and Mail*, while another policy advocating more teeth in the Food Prices and Review Board appeared on another page. I am bewildered. I think the Tories are bewildered, and I think the House is bewildered.

● (2010)

Some hon. Members: Hear, hear!

Mr. Nelson: I will wait for the applause to die down. Wage and price controls have long since been discredited. In this morning's *Globe and Mail* there is a long article in which it is reported that two economists of the Royal Bank

of Canada have rejected price and wage controls as a solution. They say:

"It has been repeatedly demonstrated that controls are ineffective in an overheated economy and the recent American experience with the price freeze, especially in so far as it applies to food prices, has shown the futility of such attempts".

But the Conservatives are so tied to United States policies than when the Americans run out phases the Tories will run out of policies. They have no real policy. It has been rejected by economists; it has been rejected by all other parties. Yet the Tories insist on adhering to this policy. They must know that it will not work. One of their financial critics wrote a book in which he set forth why it will not work. I cannot understand why they persist in adhering to it. Perhaps it is for no other reason than that it might win them some votes. But they are gradually coming around to recognition of the value of a prices review board.

We look at the government's policy and we see a party which was triumphant in 1968 doing nothing. This government does things only on the basis of crisis. Then it does something only if it is pushed. Everything that is done is done on the basis of "ad hockery." We have as examples LIP, OFY and DREE. These programs were all brought in to solve a situation which arose in a crisis. They did not work. Any policy with any solidity to it was forced upon them by you know who—us. From the start the Prices Review Board was asked for by our party. It was the brainchild of our party; it was our idea. What did we get? We got Mrs. Plumptre. We got evasion and crocodile tears from a government which is frightened of its own shadow and refuses to heed the warning of the people that it received last October 30.

While this government vacillates, the rising cost of living is eating up the meagre pensions and wages of millions of concerned Canadians. I think it is significant that in the speeches of the financial critics of both major parties there is always a token mention of pensioners and people on fixed incomes. The government ought to be aware, if it is not aware, that the privation which has heretofore been confined pretty well to people on low incomes is now creeping upward to the higher wage brackets, and when that happens the people of Canada will come to know which is the only party in this House that has any kind of a policy to alleviate the distress of inflation.

But I am afraid that until the Canadian people are ready to recognize that fact we can only hope, by continued pressure, to get some kind of action from this government. I think this House can be assured that that pressure will be exerted unremittingly by this party.

Mr. Bell: Mr. Speaker, I rise on a point of order. There has been further discussion and I think there is a desire now that we reduce the length of speeches to 15 minutes. I also express the hope that at around ten o'clock, due to the great number of members who wish to take part in this national emergency debate, we will be able to reduce the time to about ten minutes.

Mr. Deputy Speaker: Is it agreed that at least until 10 p.m. speeches be limited to 15 minutes?

Some hon. Members: Agreed.

Cost of Living

Mr. James A. McGrath (St. John's East): Mr. Speaker, we meet here in emergency debate, but one would never believe it from the attendance on the treasury benches.

An hon. Member: Why don't you look at your own benches?

Mr. McGrath: We can only conclude that the Prime Minister (Mr. Trudeau), the Minister of Consumer and Corporate Affairs (Mr. Gray), the Minister of Agriculture (Mr. Whelan), the Minister of Finance (Mr. Turner) and all the other ministers responsible for various areas of the subject matter under debate must be down at the Chateau Laurier wining and dining with the partisans of the Liberal party from across the country, at a time when Canada has experienced the highest increase in the cost of living in 22 years. Food prices increased during the past year by 16.2 per cent. In this month food prices have increased by 3.2 per cent.

Notwithstanding the announcement made in the House on September 4 by the Prime Minister, and the measures debated and adopted by this House in the last few days, the fact is that the government has not presented to this parliament any program, any policy to deal with the most serious problem facing this country today, runaway inflation.

When this parliament opened on January 4 there was an announcement in the Speech from the Throne that the government would take measures to reduce inflation, to reduce unemployment and to set up a special committee on food prices. Well, we have the special committee on food prices—and we have high unemployment and runaway inflation. The only answer the government has had, apart from the stopgap measures announced by the Prime Minister in the House on September 4, to the whole problem of rising prices and runaway inflation is the establishment of the Special Committee on Trends in Food Prices. What is the record of that committee? Its recommendations have been largely ignored by this government.

Today, the greatest indignity of all in respect of that committee was the refusal of the Prime Minister to accept an invitation, passed by the majority of the committee, to appear before it to explain the statement he made to the House on September 4 and to submit himself to questioning by members of the committee. This is a special committee of the House, not a standing committee. It is a special committee created by the government as the government's answer to inflation.

The Prime Minister, in his letter to the chairman of the committee, referred to the fact that the Prime Minister obviously cannot be concerned with appearing before all the committees of the House of Commons. That is understandable because there are many committees of the House which are involved in various areas ranging all the way from estimates to special references from the House. But this is a special committee with a special mandate. It is the government's answer to rising food prices. It is charged with the responsibility of studying trends in food prices. It has the power to call for persons and papers.

● (2020)

The first report of the committee contained recommendations that special legislation be brought in to establish a

food prices review board. The government ignored that recommendation and did not bring in special legislation. Instead, they used an existing statute, the Inquiries Act, which conveniently circumvented parliament; they did not have to come before parliament with a special act. Many of the recommendations in the first report of the committee have been largely ignored by the government. Let me give an example. Recommendation No. 5 in the first report recommended that the federal government, in co-operation with various provincial governments, consider the feasibility of co-sponsored programs to get proper food on the tables of people with low incomes.

Mr. Lalonde: What about the first four recommendations?

Mr. McGrath: A 3.2 per cent increase in the cost of food in one month, or 16.2 per cent in one year, particularly affects families with lower incomes. Most of the other recommendations of the committee—and I can announce them one by one—have been ignored by the government, so much so that the second report of the committee called upon the government to proceed immediately with the implementation of the recommendations in the first report. That has been largely ignored. We can only come to the conclusion that this government is not serious about food prices. It refuses to present to the House and to the country a program that would deal seriously with this very critical problem.

Today we have high unemployment, high inflation and rising food prices, and the best that the government can do is the ad hoc, piecemeal program which it presented to the House on September 4. Nobody quarrels with these measures. As a matter of fact, they received the unanimous support of the House. Certainly it is desirable to do something to hold the price of milk in Canada. We hope and pray that this measure will be effective, although it is questionable whether it will have the desired results. Certainly it is difficult to understand how the government can implement the program in certain areas of the country, including my own province, where there are no milk marketing boards.

So far as the other approach of the government to this problem is concerned, namely, the subsidy for miller's wheat, we know what happened to that. That has gone the same way as the budget brought down in the House by the Minister of Finance on February 19, when he said:

> I want to relieve the Canadian taxpayer of as much of this burden of rising prices as I can. And, in particular, I want to provide relief to that group of our citizens who are least equipped to fight rising prices—our lowest income earners.

I submit that the figures released today by Statistics Canada are alarming to the point where the situation requires extraordinary measures on the part of the government. Food for the home in one month increased by 3.2 per cent, or a yearly increase of 16.2 per cent. Dairy products are up .5 per cent, for a yearly increase of 8.5 per cent. Meat is up 8.2 per cent in one month, or a yearly increase of 27.9 per cent. Prices have reached such critical proportions that many of the people of this country cannot even afford to buy hamburger. Poultry products have increased in one month by 7.6 per cent, or an increase of 39.9 per cent for the year. Eggs have gone up by 13.4 per cent, for a yearly increase of 46.3 per cent.

It is just a short while ago that the government introduced a program in the house, a million dollar program whereby they were going to pay poultry farmers to kill their egg-producing hens so as to reduce the egg-producing capability of this country. What is the result of that program? The result is that we have had in one month a 13.4 per cent increase in the price of eggs.

An hon. Member: What about fish?

Mr. McGrath: I am glad the hon. member mentioned fish, because among the lowest income earners in this country are the fishermen in eastern Canada. They are the ones who are really suffering from these rising prices.

Mr. Lalonde: And you want to freeze them.

Mr. McGrath: The world price of fish has gone up so that today the Americans are paying 70 cents a pound for our fish, but the price to our fishermen has hardly moved—they are getting 9 cents a pound for their fish. These are the fishermen who have to pay inflated prices for eggs. They have to pay inflated prices for beef and inflated prices for poultry products. The low income earners of this country, of whom the fishermen of eastern Canada are the most prominent, are the ones who are suffering most—but this government does nothing about it.

Some hon. Members: Hear, hear!

Mr. McGrath: Somebody asked, "What about freezing prices?" This party has never advocated freezing prices for the low income earners in this country.

Some hon. Members: Oh, oh!

Mr. McGrath: If the government had accepted the policy advocated by this party in February of this year, we would not have these inflated prices for food. We would not have a 16.2 per cent increase in food in one year. We would not have a 3.2 per cent increase in one month.

I hope that the hon. members who have made the supreme sacrifice of staying away from the Chateau Laurier to sit in the House for this emergency debate will participate on their feet, instead of making stupid interjections from their seats.

Some hon. Members: Order.

Mr. McGrath: The trouble is that this government has failed to bring before the House policies that would adequately deal with runaway prices and with unemployment. That is why Your Honour granted the Leader of the Opposition (Mr. Stanfield) this emergency debate tonight, and that is why parliament has set aside its regular business to debate this most serious crisis facing the country. I submit that while the Special Committee on Trends in Food Prices has done very good work and has heard many witnesses, it cannot be the answer because, as we made plain in the House at the time of the setting up of the committee, we objected to its setting up because the terms of reference were too narrow.

We felt then—and our opinion has been reinforced by subsequent events—that you cannot examine food prices in isolation. I say this with special regard for my friends to my left: you must examine all of the component features of the cost of living and what contributes to food prices. We have high interest rates in Canada, which contribute substantially to the cost of building, and shelters. More particularly we have a high cost of labour, which is a very important component of food prices. We have high incomes and profits. All these things have to be examined in the over-all context of the consumer price index. For a committee of this House to be charged with the responsibility of examining food prices in isolation, I submit is a serious waste of the time of the House, notwithstanding the fact that the food prices committee has worked hard. I say this as a member of that committee.

● (2030)

So far as the Food Prices Review Board is concerned, the order in council setting up the board on May 25 said it was "to inquire into the causes of particular food price increases in any class of food products, and to issue reports thereon, with all dispatch, including recommendations where the board considers it appropriate to do so." Those were its terms of reference laid down by order in council on May 25. What, then, was the Prime Minister trying to prove in his statement of August 13 when he announced various programs that were designed to deal with the consumer price index for the month of July, which showed unprecedentedly high increases? At that time he said:

—the terms of reference of the Food Prices Review Board will be extended to provide for investigation of price increases on individual food items.

That was cruel deception. It was deception of the first order, because those were precisely the terms of reference given to the board on May 25. This was the announcement of the Prime Minister on August 13 to try to deceive the Canadian people into thinking that Mrs. Plumptre and her board, which was inactive up to that time because, on her own charge, she had not received the co-operation of the government and more particularly of the Minister of Consumer and Corporate Affairs, were being given additional authority. The board already had those terms of reference; they had already been given authority by order in council to look into specific food price increases.

Now we have hon. members saying that the Food Prices Review Board will be the answer, that it will see to it that the policy of applying subsidies to liquid milk will be implemented. I submit that the government already has that authority. The Minister of Consumer and Corporate Affairs already has that authority under the Packaging and Labelling Act. He has the authority to carry out the same kind of examinations as the Food Prices Review Board is involved in at the present time. But, for reasons known only to the government, the minister refuses to promulgate and implement the regulations under the Packaging and Labelling Act notwithstanding repeated urgings from members of this House that he do so.

Parliament passed the Packaging and Labelling Act more than two years ago. It was supposed to be important consumer legislation at that time, and it is still the major consumer legislation presented by the government. Yet it remains inoperative because of the failure of the government to formulate and promulgate regulations which would be the operative part of the act. Such regulations would enable the government to do precisely what Mrs. Plumptre and her Food Prices Review Board are attempting to do at the present time.

So, Mr. Speaker, we do not need a Food Prices Review Board. What we need is an agency that will examine not only food prices but all the component parts of the consumer price index. And I suggest to you, sir, that what this country needs more than anything else is a new government.

Some hon. Members: Hear, hear!

Mr. McGrath: I submit that if the government were to go to the country today it would get the message, loud and clear, that the people of the country no longer want a government that ignores inflation, that ignores rising food prices, that ignores rising unemployment. I submit that the people of the country want rid of this government.

Mr. Deputy Speaker: The hon. member for Verdun (Mr. Mackasey).

An hon. Member: This going to be great.

Hon. Bryce Mackasey (Verdun): Mr. Speaker, before I even got to my feet I heard the hon. member from Alberta say that this was going to be great. I wonder, would he advocate rolling back fuel oil prices?

Mr. Woolliams: I did not say that. On a point of privilege, Mr. Speaker, it was a friend of mine behind me. I have not said a word all night.

Mr. Mackasey: Mr. Speaker, that is such an unusual occurrence that I must apologize to the hon. gentleman. It is the first time in 12 years that he has been silent.

I do not pretend, and I do not think anyone else pretends, to have the answer to the problem of inflation. The hon. gentleman who preceded me mentioned that extraordinary measures are required. That was about his most useful statement. But he did not tell us what they are. Of course, he knows that such measures must not affect the cost of fish because fish is an important product in his riding. And the hon. member from Alberta knows that we should not roll back the price of fuel oil and natural gas because those products are important to his riding.

Mr. Nowlan: Roll back the government.

Mr. Mackasey: The hon. member says, "Roll back the government." I wonder how many people in the hon. gentleman's party would say, "Let us roll back the price of wheat." As a city slicker, frankly I am surprised that the whole attack I have heard today has been on the farmers of the country. I represent a city riding and I cannot get overexcited at the fact that the farmers in the west are for the first time earning a decent income, that farmers elsewhere are getting a decent price for their eggs and poultry, and that fishermen are getting a decent price for their fish.

We are talking about the high cost of food. We have concentrated on the question of the high cost of food ever since the debate began.

Mr. Gillies: No.

Mr. Mackasey: The hon. member for Don Valley (Mr. Gillies), who is a very serious member, says no. But the fact of the matter is yes. Is someone from the opposite side of the House now going to get up and advocate tight money? If that is the case, we will be right back to 7.2 per cent unemployment. The Minister of Finance (Mr. Turner) made it clear today—

Mr. Nowlan: To whom?

Mr. Mackasey: To you people who asked the question—that there was not a tight money policy in this country. Somebody may have pointed out the inconsistency between a high interest rate and a non-tight money policy. Although it may be contradictory, at least we know this much, that if we introduced a tight money policy at this stage in our development, at this stage in our recovery, once again we would be fighting the battle on the backs of the working poor of Canada.

● (2040)

I should like to ask those hon. members who were attacking unemployment insurance last October, saying that $66 was too much, if they still feel they were right. If I were a farmer I would say the chickens have come home to roost on that one. I do not hear anybody now saying that we have to roll back the cost of unemployment insurance.

An hon. Member: You sure have to.

Mr. Mackasey: The hon. member is honest, but let him tell the unemployed person who gets $66 a week that he is getting too much. At least he is honest; he is reflecting true Tory policy, and honesty is a good thing.

Mr. Deputy Speaker: The hon. member for Peel South (Mr. Blenkarn) on a point of order.

Mr. Blenkarn: Mr. Speaker, I was wondering whether the hon. member for Verdun (Mr. Mackasey) is satisfied with 5.5 per cent inflation. We on this side are not.

An hon. Member: Unemployment.

An hon. Member: You are all mixed up.

Mr. Deputy Speaker: Order, please. I think I should remind hon. members that this is an open-ended debate and points can be made at three o'clock in the morning if somehow the hon. member is not recognized earlier than that. This is really not a point of order and, if I may, I restore the floor to the hon. member for Verdun.

Mr. Mackasey: Mr. Speaker, for the record, I think the hon. member was asking whether I was satisfied with 5.5 per cent unemployment, rather than inflation. Of course I am not. That is why I am scared that some would-be economist who thinks he has the answer might come along and say that now we have 5.5 per cent unemployment and high interest rates, all we need is a tight money policy as further restraint on the wages of the working classes, and then we will all be happy and inflation will disappear. That is what is going to happen if we are not careful.

I am not happy with 5.5 per cent unemployment. But at least for once in our lives we put the priority where it should be until we solve inflation, that is, looking after the people who are unfortunate, looking after the people who cannot afford food of any kind, rolling back the price of milk, holding the price of bread and at the same time looking after the western farmer who for the first time in a decade is getting paid a proper return.

The hon. member for Don Valley is a serious economist. He knows that inflation cannot be settled overnight, that part of it is imported. It is a worldwide problem and people will have to wake up and attack it on a worldwide basis. I have to be honest, Mr. Speaker. I would rather have a little inflation than the type of unemployment that permeated this country last year and the year before and the years from 1956 to 1962 when the Leader of the Opposition (Mr. Stanfield) was premier of Nova Scotia. Unemployment predominated in those days. I think hon. members opposite would admit this if they were not too interested in making political points on the backs of the unemployed and the working poor of this country. Mr. Speaker, the answer is not tight money.

An hon. Member: Is it expensive money?

An hon. Member: If you say it often enough you will believe it.

Mr. Mackasey: One thing I do believe, Mr. Speaker, is that the solution does not lie in driving people out of work. That is what tight money would do. The Minister of Finance has resisted the temptation to revert to a tight money policy and obviously is hoping that high interest rates will introduce the right degree of restraint into the economy to give us the best of both worlds.

When we play around, as the hon. gentleman just did, talking about extraordinary measures but "don't worry about fish," then we are being political with the lives of the underemployed and the unemployed and the working poor of this country. They are the innocent victims of fiscal and monetary policies not only in this country but in all industrialized states. One of the other fallacies that I have heard repeated all week is that inflation is caused by underproduction. There is all kinds of unused capacity in this country.

The hon. Leader of the Opposition (Mr. Stanfield) points in the direction of the Minister of Finance. Mr. Speaker, it was not the Minister of Finance who said that unemployment insurance was too costly and "if I ever form a government I will reverse the trend".

An hon. Member: Who, John or you?

Mr. Mackasey: Don't divert me from my point. By the same token, I am very tired of my friends in the corner who think the word "profit" is a dirty word and that companies have no right to make a profit. They think that because a company makes 34.8 per cent profit over last year, without telling us whether last year was a losing year or a good year, it should be censored. They are being

unintentionally dishonest in this respect. I have noticed in the statements of the New Democratic Party that they now link the percentage of profit to the increased percentage of sales. The leader of the New Democratic Party (Mr. Lewis) is more knowledgeable than I am in these matters and he knows that profits escalate as you progress beyond the break even point. That is logical. By linking the two you are unintentionally inferring that people are being gouged in this country.

The shortage in this country is not in the manufacturing sector. We need to stimulate secondary industry. Our shortage lies in our primary products, which means that this country is rapidly reaching the point when we have to decide where our priorities lie. Are we to sell everything to other countries because the price is better, or do we have to adopt more two-price policies for our primary products? I cannot answer that, but one day we will have to sit down and debate this problem as true Canadians. That is where the shortage lies, and we know it. Can anybody tell me of shortages of secondary goods on Bank Street, if people have the money? Can anybody tell me that our factories are producing to capacity other than pulp and paper, which is very cyclical?

This is a very serious subject, Mr. Speaker. As the hon. member for St. John's East (Mr. McGrath) said, quite validly, the innocent victims are always the same people—the poor, the defenceless, the people who cannot defend themselves. Yet when the Prime Minister (Mr. Trudeau) tries to defend them by social policies, by increasing the family allowance, subsidizing milk, rolling back the price of bread and doing the things he did, he is accused of putting the wrong problem first. Which way would you rather have it until the economists have an answer to it? At least you can make inflation bearable for the people whose incomes are substandard.

Mr. Speaker, I have been around this place for a long time and I can play politics with the best of members. I know this is not a subject to play with because inflation cuts into the income of every Canadian. There is no argument about that. But most Canadians can look after themselves because inflation is a relative thing and everybody knows, deep in their hearts, that the average worker is protected by a good trade union. That includes doctors, who have their own trade union, and lawyers who set their own fees, and all the rest of the trade unions that parade under other names. Once you pay your taxes and buy the luxuries that have become necessities in this country, you still have a greater net income today than ever in the history of Canada.

Some hon. Members: Hear, hear!

Mr. Mackasey: What we have to be careful about, particularly in my province, is that we do not widen the gap between the "haves" and the "have-nots". This is a bigger danger to the federal system than all the problems, save language, that we have heard. The poor of Canada are tired of being poor. They have a voice. They are articulate. They are intelligent. They speak out. A man of 52 who is out of work wants someone to look after his income. He needs that. He should not be made to feel like a second class citizen because somewhere along the line the state provides him with an income because no one else will.

● (2050)

At the same time, private industry should not be burdened with the problem of featherbedding. By the same token, it should be made to pay for the social policies that we in this government and this parliament have a responsibility to introduce periodically. I have criticized the Prime Minister (Mr. Trudeau) openly as much as anyone else in the House of Commons, but I at least congratulate him for establishing the priorities he did a few weeks ago to help the victims of inflation first.

Some hon. Members: Hear, hear!

Mr. Mackasey: There is a lot I would have liked to say but I will respect the time limit and not make the role of the Speaker any more difficult. The Minister of Finance (Mr. Turner) speaks for himself, which he properly has done. However, I know the Bank of Canada does not advocate a tight money policy, perhaps one of moderate restraint, but you are not going to restrain people by higher interest rates.

The Bank of Canada sets the prime rate. A small businessman who comes into a bank on a Friday for the payroll will take it at any interest rate because it is the difference between continuing for another week or bankruptcy. A developer does not mind paying a 15 per cent interest rate if he can recoup 30 per cent. I remember fighting price and wage controls a couple of years ago. Why? Because of the inequity with which it was being administered. Wages were to be controlled. Prices were to be controlled. In the meantime, interest was to go sky high, rents were to go as high as anyone wanted and all other sources of income were to be free from any type of restriction.

If you advocate wage and price controls for 90 days or 120 days, as Galbraith suggested, the problem will be what you do when they are removed. You do what they did in the United States. You pay double for the price and wage control. That is not the answer. The answer is selective wage and price controls, if any at all.

Mr. Deputy Speaker: Order, please. I deeply regret interrupting the hon. member, but the time allotted to him under the rule adopted earlier by the House has expired. He can continue with unanimous consent.

Mr. Mackasey: I prefer not to, Mr. Speaker.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I always like to follow the hon. member for Verdun (Mr. Mackasey). Over the years in this institution we have been friends. I recall when our party was in power and we had a minority situation. I had a problem in the family and I called him. He agreed to pair with me on that occasion although we had instructions from our leaders there would be no pairing. For years we have enjoyed each other's company.

Tonight I want to deal particularly with what I consider, outside of the cost of food, one of the most serious crises in our nation, namely, national housing. This problem has been brought about and aggravated, not only by the policies of this government but by high interest rates

which have now reached the level of 9 per cent to 11 per cent or 12 per cent on mortgages.

Inflation, as it has been described, is the greatest thief of all. From whom does it steal? It steals from those on fixed incomes, on fixed pensions, the young and the aged. In fact, inflation today is such a national crisis that we now see, as described by the hon. member for Verdun, the average Canadian shackled to poverty because of the policies of this government. Of course, increasing pensions for the aged and increasing the baby bonus helps for a time those who suffer from inflation. However, it is like a person in hospital suffering from an incurable disease—an oxygen tent may keep the patient alive for a time, but eventually he will die. That is exactly like the policies of this government.

Some hon. Members: Hear, hear!

Mr. Woolliams: All this government has done is patchwork which has been of no assistance in controlling inflation. The hon. member for Verdun took great exception to someone using the expression "tight money". Well, if we do not have tight money we certainly have expensive money, because interest rates in Canada are the highest they have been since the last war.

Some hon. Members: Hear, hear!

Mr. Woolliams: I wonder what kind of policy has led to these high interest rates. I think the questions asked today by the hon. member for Don Valley (Mr. Gillies) and myself flushed out the government with regard to their policies in so far as interest rates are concerned. I refer to this question asked by my leader on April 9, 1973, recorded at page 3087 of *Hansard:*

> Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. In view of the very short, terse statement given by the governor of the Bank of Canada in making his announcement of the increase in the bank rate, would the minister make a statement on motions within the next day or so setting forth what the monetary stance is now—

The Minister of Finance (Mr. Turner) replied:

> Mr. Speaker, I will be appearing again before the standing committee—

This is the significant part of his answer:

> I just want to remind the Leader of the Opposition that the primary day to day responsibility for monetary policy rests with the governor of the Bank of Canada, unless there is a conflict between the thrust of monetary policy and that of fiscal policy or governmental policy. That is not so as long as the monetary policy remains expansionary, which it does.

In other words, he said monetary policy lies with the Bank of Canada and unless there is conflict with government policy the government goes along with the increased rate of the Bank of Canada, which today is 7¼ per cent and brings mortgages up to 10, 11 or 12 per cent. The Minister of Finance and the Prime Minister (Mr. Trudeau) say they endorse the bank's policy of increasing the rate to 7¼ per cent, according to the financial pages of the *Globe and Mail,* is a result of the bank's policy. There is no conflict; they endorse the bank's policy.

I want to read what the minister said on May 14, 1973, to prove my case that the government cannot slough it off on the Bank of Canada, because this government is aquiescent and approves in every regard the high interest rate of the Bank of Canada which means expensive money for this nation. This, of course, is bringing about a national housing crisis. In reply to a question asked by the hon. member for Winnipeg North Centre (Mr. Knowles) on May 14, 1973, as recorded at page 3713 of *Hansard,* the Minister of Finance said:

> Mr. Speaker, I will take the general tenor of the hon. gentleman's remarks into consideration. Obviously, the day to day responsibility for the monetary policy of the country rests with the Bank of Canada. It is only when the general thrust of that policy comes into conflict with that of the government that the Minister of Finance has to intervene.

As the government has not intervened, and as there is no conflict between the Bank of Canada and the government's policy, this government is endorsing high interest rates.

Some hon. Members: Hear, hear!

Mr. Woolliams: It is the beginning of the same policy it adopted between 1968 and 1972 which brought about the unemployment the hon. member for Verdun spoke about. It is the same beginning, the same policies, the same nineteenth century economics of the Liberal party. Let us look at what happened today. In an editorial on the financial page of today's *Globe and Mail,* headed "Ottawa raises bank rate by half a point to 7¼ per cent", it is stated:

> In a move aimed at controlling inflation, the Bank of Canada has increased its bank rate by half a percentage point to 7¼ per cent, effective today.

The article says the prime rate to large borrowers has been raised to 9 per cent from 8.25 per cent, and mortgages will increase to 10 per cent or 10.5 per cent. That is the government's policy, because they acquiesce and approve the Bank of Canada interest rate. This is the beginning of a tight money policy which will bring about more unemployment this winter, more suffering for those Canadians referred to by previous speakers. I wish to refer briefly again to the report on business which appeared in the *Globe and Mail* today. It reads:

● (2100)

> Most Canadian chartered banks have announced that prime loan rates will rise three-quarters of percentage point to a record 9 per cent effective September 17. The move raises the prime rate by 50 per cent since April.
>
> The 9 per cent prime rate surpasses the former record 8.5 per cent which was in force from July, 1969, to July, 1970.

So interest rates tonight in Canada are higher than they have been at any time since the second world war. That is the policy of the government. That is the policy they are using against inflation.

Mr. Paproski: Where is the Minister of Finance? Why isn't he here?

Mr. Stanbury: Where is your leader? It is his motion. He has lost interest.

Mr. Paproski: Where is the Minister of Finance?

An hon. Member: Where is the Prime Minister?

Mr. Stanbury: You are desperate.

Mr. Woolliams: That is the policy of the government, and the minister must be prepared to accept it as his responsibility. What do we need? The government should intervene immediately to deal with this question of interest rates. The Minister of Finance has said that where there is a conflict of policy, the government should intervene. It is high time, now, the government did so, in light of the rate set by the Bank of Canada, if we are to prevent the highest rate of unemployment of any winter since the last war.

Today inflation is posing a severe problem. It was brought about partially, or aggravated at least, by high interest rates. According to a report which has just come out in Ontario, between 300,000 and 400,000 Ontario families need housing help. I would predict tonight, and I am sure my estimate would be confirmed by a computer operating across this nation, that 800,000 Canadian families need help from the government to buy houses or to cope with increased rents.

I want to give just one example of what happens when interest rates increase. A house with two bedrooms, occupying 800 or 900 square feet, whose price would be $35,000, to a person having $10,000 for a down payment would cost $58,000 over a 25-year period with an interest rate of 6 per cent. Incidentally, one cannot buy such a house in Canada today. But increase the rate of interest to 9 per cent, as it is today—

Mr. Lalonde: Louder.

Mr. Woolliams: The Minister of National Health and Welfare (Mr. Lalonde) says, "Louder". He was assistant to the minister of justice in the Diefenbaker government, and acquiesced and sold out that leadership for a pot of gold.

An hon. Member: You mean a mess of potage.

Mr. Woolliams: I hope I can speak loud enough for the Canadian people to hear me. At 9 per cent, the cost increases to $72,100. That house, at 10 per cent, would cost a Canadian family $77,125. Now, let us take the cost spread over a 40-year period. At 6 per cent, that $35,000 house, with $10,000 down, would cost $75,520. At 9 per cent, it would cost $100,080. At 10 per cent, the rate of many conventional mortgages, it would cost $110,080. This is what high interest rates are doing to the average Canadian.

What action should we be taking? The first thing the government should do is to set a ceiling on interest rates. Surely there is a conflict between what the Bank of Canada is doing today and the best interests of the Canadian people. So bearing in mind what the Minister of Finance said, it is time the government intervened to roll back interest rate to enable the average man across this nation to afford to buy a home or pay rent. Second—though we have said this many times before, it bears repeating—we should repeal immediately the building tax, which should never have been imposed.

Some hon. Members: Hear, hear!

Mr. Woolliams: It was put on by Walter Gordon and is still in existence although statistics show that back in 1959 it cost about $8 a square foot to build a house while today, under the government's inflationary policies, it costs $17.30. That is what inflation is. Repeal of this tax would ease the burden to some extent. We must be prepared to deal directly with the cities, if necessary, and offer money as an inducement to housing development.

Who do high interest rates on home loans affect most? Middle-class people and those who have reached middle-age probably own homes which have been partly paid for, but young people starting out in life and wishing to buy a home cannot afford to do so with interest rates at 9 per cent or 10 per cent. This is why only 6 per cent of those with incomes of average size in the city of Toronto can afford to buy a home.

Mr. Hellyer: Young people haven't got a chance.

Mr. Woolliams: They have no chance at all. Those are three concrete proposals. The Minister of Finance asked today; "What is your policy?" I would say the main policy of the opposition, and there is only one party which is in opposition in this parliament—

Some hon. Members: Hear, hear!

Mr. Woolliams: The minister should remember the words the late Lester B. Pearson threw across the House when he felt the then government should go down to defeat. He quoted the words of Cromwell: "For God's sake, go." That is my message to the government; it is the only solution for the Canadian people: "For God's sake, go."

Mr. Stanbury: The total of Tory policy.

Mr. Woolliams: The minister of health laughs. Of course he laughs now. He is drawing a fat salary as a cabinet minister as a result of being an executive assistant under one of the ministers in the Diefenbaker government.

An hon. Member: Don't get personal.

Mr. Woolliams: Let me say one last thing and I will sit down. The government has a fine record! It has the highest interest rates of any time, the highest cost of food, the highest cost of housing, the highest unemployment and the highest degree of arrogance of any government who ever sat on the treasury benches.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, there is one important aspect of the cost of living which has not, in my judgment, received sufficient attention. Much has been said, and justifiably so, about the rising cost of food. But there is another aspect of the increase in the cost of living which is particularly disastrous for sections of the community on small and fixed incomes who live in rented premises. As a matter of fact, the majority of people in urban areas such as the one I represent fall within this category. I refer to the uncontrolled increase in rents.

• (2110)

The hon. member for Oshawa-Whitby (Mr. Broadbent) dealt in this debate with the failure of governments of Canada to provide a plan for homeowners other than a few in the top brackets of the income scale. The same failure has put such pressure on the limited stock of rental hous-

ing that rents have skyrocketed to an astronomical extent. I know of nothing that causes more heartaches in my riding than evictions and the unbearable burden of soaring rents, even in some cases causing the break-up of homes.

I had a particularly vivid experience of this in my constituency last Friday when I was visited by a constituent who was living with her husband, an old age pensioner, in rented but modest premises. Also living with them was a daughter who was a high school student. They have lived in the same premises for ten years, paying a rental of $130 a month. They provided the furnishings and looked after the repairs. At the end of last month the tenant received a notice that the property had been sold and that she and her husband and daughter must vacate the premises by September 30. A day later she received a lawyer's letter saying that she could disregard this notice of eviction if she and her husband were ready to pay a rental of $300 a month, an increase of $170 a month, or more than double.

As the husband's total income, including old age pension and a pension from his previous employment, amounted to $380 a month, it is quite obvious that they could not afford to pay such a rental. They are desperately trying to get on an already overcrowded list of those seeking to rent premises from the Ontario Housing Corporation.

May I pause to pay tribute to the Ontario Housing Corporation. It may not be perfect, but every week people ask me to assist in getting housing from the Ontario Housing Corporation that is geared to their income. The corporation is financed largely by federal funds. If it had not been for that public housing, many tragedies would have occurred.

No attempt was made by the new owner—indeed, there is no obligation on his part at all—to explain why in one fell swoop he was raising the rent by more than double, and there was no discussion with the tenant as to what he could pay. No figures were offered to justify the increase; there was just the cold, hard legal language of the eviction notice. This sort of situation, though not always so extreme, has been duplicated to my knowledge all over Canada. The amount of increased rent demanded would certainly pay for a very substantial amount of foodstuffs.

What, Mr. Speaker, is the solution? Obviously, one part of the solution is the construction of more public housing and low-rental housing so that supply can balance demand. In the present emergency another method is also required. I submit the time has arrived for rental review and rental controls. The solution is part of what this party has consistently stated, and that is the need for selective controls.

The essentials of life should be controlled, and surely shelter is one of the main essentials of life. It is necessary that we establish, now, some form of rent review or control whereby those who wish to increase rent must justify it by showing that they have increased costs or interest to pay. It is no longer tolerable that rentals can be set unilaterally at the whim of the owner with unlimited power to gouge out what the traffic will bear, which is the situation at the present time.

[Mr. Brewin.]

It was, of course, found possible during the last world war to establish rent controls. The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) reminded me the other day that after the war, when he was premier of Saskatchewan, rental controls were continued for five to six years following relaxation of the wartime regulations. And rental control worked well. As I say, rent control has its problems but they are not insuperable.

I am, of course, aware that there may be constitutional difficulties in respect of rent control which would normally be a matter for provincial legislation. But if there is doubt as to the federal power to impose rent controls at the present time—I must say that I think in light of the present emergency such doubts could be dispelled—the provincial governments, at the recent conference of premiers, made it clear that all of them were willing to co-operate with the federal government in dealing with the problem of controlling inflation.

Therefore, I would strongly urge upon the federal government that in their battle against inflation they deal with this question of rentals by calling a federal-provincial conference on an urgent basis in the very near future to work out a plan for rent controls which would be nationwide in scope. If the provinces agreed, well and good; if they did not agree, the federal government must consider whether it must take the lead in this field.

If measures to halt soaring rentals were taken under the leadership of the government, the people of Canada might be persuaded that the government was serious in its battle against inflation. I believe they would secure public support. In my own city of Toronto, the Toronto Labour Council has urged upon metro council that they ask for provincial legislation permitting rent controls. But this is not the problem of Toronto or of Ontario; it is a national problem and should be dealt with on a national scale.

There are two other aspects of the battle against inflation that I want to raise. The first is that it seems to be absolutely essential that if prices are to be controlled, the government must take the power to enforce the findings of the Prices Review Board. At present the Prices Review Board is patterned on the theory embodied in the Combines Investigation Act, which is that in normal times publicity is an effective method of preventing the fixing of prices by monopolies and the gouging of the consumer. But even in normal times the Combines Investigation Act has proved a very inadequate weapon. Lengthy prosecutions have taken place, fines have been levied and then firms combining together to maintain high prices work out a new, legal, law-proof method of price fixing of their own. However, these are not normal times, and if the government does not recognize the emergency in regard to rentals I suspect they will not be the government for very much longer.

If the Prices Review Board is to be more than mere window-dressing, it must have the power at least to make recommendations for freezing and rolling back prices where it finds there is a threat of unjustified price increases or the fact of unjustified price increases. I think the time has been reached when common sense judgments can be applied.

While it may not be easy in theory to define an unjustifiable price increase or to define what is gouging the

public, references to undue increases, and so on, have been used for years in our statute books. After a detailed look at the facts it is possible to define whether the public is being gouged, and then there would be an obligation on the person who was raising prices, rents, or whatever it is, to explain and to justify the raise. Then if there was no clear justification for the increase that had been imposed, I suggest it would be possible to make an assessment and to do something about it. For example, in the case I mentioned in my constituency of an increase in rent in one month of from $130 to $300, such increase could not be imagined to be justifiable. If the battle against inflation is to be real and not just window-dressing, then better measures are required. The government must seek from parliament the teeth necessary to enforce stabilization of prices.

● (2120)

One other matter I want to mention is this. I find in the service centre which I operate, and to which many of my constituents come for advice, one of the major complaints of the older people, the senior citizens, about the present increased cost of living relates to the cost of prescription drugs. They point out that they have an increase, and it is welcomed, of $5 and a few cents in their basic pensions, or a little more than that in the case of those who receive the guaranteed income supplement, but they often have to pay $20 for prescription drugs, the price of which is not controlled.

I understand that three provincial governments in Canada are providing prescription drugs free, and I am pleased to say they are British Columbia, Manitoba and Saskatchewan. I recommend to the federal government that it look into this matter, and if it is concerned about the impact of the cost of living on elderly people it will do something about providing prescription drugs free to old age pensioners.

My last point, Mr. Speaker, is this. As an anti-inflation measure the government should again take a leaf out of the New Democratic Party's program. At its convention last July in Vancouver—

Mr. Turner (Ottawa-Carleton): Why don't you come to our convention, Andy, and really learn where it's at?

Mr. Brewin: If you take up this suggestion, I may even come to your convention.

Some hon. Members: Hear, hear!

Mr. Brewin: At that convention the NDP undertook to provide shelter allowances to make up the difference between a family's rental cost and what it can reasonably afford. Shelter allowances would be paid to people over 60, to the disabled and to families on moderate income with a large number of children. After all, housing is a basic human right, like food, and if the community can accept the principle of subsidizing essential foods it can accept the principle of subsidizing equally important shelter in this relatively affluent age.

I commend to this government the proposition that the time has come for rent controls, the time has come to take the high cost of prescription drugs off the backs of old age pensioners, and the time has come for some sort of shelter allowance. I am glad that the government has moved toward consideration of these victims of inflation, and if it will take seriously the proposals I have made it will be doing even better.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, the motion under consideration tonight is obviously of the utmost importance since the whole of Canada is facing today the many problems of increases in prices, costs and wages. In fact, we are in such a position that we must find adequate solutions.

Now, if we look into such problems and if we try to find out the real reasons which have brought about the present situation, we shall probably discover many other factors liable to figure out in what way could abuses be redressed and a positive solution be brought up.

Among these real reasons, Mr. Speaker, there is one that could embody all others, that is, we keep on trying to administer while being satisfied with an inadequate system. We would never have to talk about inflation or uncontrolled increase in the cost of living if the present financial system did not create or encourage abuses.

While the motion under consideration states that according to Statistics Canada figures reveal a disastrous situation, and points out interest rate increases, we hit one of the main causes of today's problems. As a matter of fact, the increase in interest rates that we always denounced is one of the main causes of all the others. At a time when production of the consumer goods we need is encouraged, we have to resort to credits, to borrowing. Of course the rates of interest will be reflected in the cost of producing consumer goods and that is, I believe, the source of all the other difficulties that are linked to one another.

Now, if we had an effective means of controlling the increase in the rate of interest, we could solve, at least partially, a good number of those problems.

Here are the other main causes of the present situation: We unfortunately let monopolies do as they please; we accept too easily that some individuals or some companies bring about such an increase in prices. And if I may quote one example from the constituency I have the honour to represent, namely that of Champlain, let me say that there are a good many potato producers who could sell their product at a very reasonable price to the consumer, while getting also a reasonable income out of it.

But what happens in the distribution of those goods and, as in the present instance, in the distribution of those potatoes? Who looks after that distribution? Therefore what happens is simply this: only one dealer will buy in advance the whole potato crop from certain producers and will then impose the selling price he wants and that at the expense of the consumer as well as of the producer. And that is why we pay $5, $6 or even $7 for a 75-pound potato bag, while the producer would have received only 60 cents, 75 cents or a $1 at the most.

One of the main reasons is that we allow some individuals to control, small, average or large monopolies and afterwards to dictate their price to consumers.

If we are looking for real solutions following an analysis of the causes of those inflationary thrust, we obviously

must be led to ask: How could we prevent such conditions? Now, we have been suggesting it for years and I take the liberty of repeating it this evening: We should accept some basic and elementary economic principles. For example, we manufacture some products because we need them and they are meant for consumption. Under such an elementary principle, there should always be some balance—

Mr. Lambert (Bellechasse): I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The hon. member for Bellechasse on a point of order.

Mr. Lambert (Bellechasse): Mr. Speaker, it is extremely unpleasant—and I should not want to displease any of my colleagues in this House—to see that when the member for Champlain (Mr. Matte) tries to make himself heard in this honourable assembly, some hon. members exchange rather highly pitched conversations. This disturbs the orator considerably and I merely with to suggest that the Chair ask hon. members to listen to the pertinent observations of the representative for Champlain. If they wish to talk, they can withdraw behind the curtains.

My remarks, Mr. Speaker, is not intended to hurt our Anglophone friends, but as we are in a minority in the House, I feel that when a Francophone has the floor, he should be listened to, as well as any other parliamentarian. Then, democracy would be a fact in Parliament, and we could in that way set an example for the whole nation.

The Acting Speaker (Mr. Laniel): Order. I do believe the point raised by the hon. member is pertinent and I take this opportunity—

[*English*]

I take this opportunity to invite hon. members who wish to carry on conversations to either leave the chamber or to speak more quietly, so that hon. members who have the floor will at least gain the impression that they are being listened to. At the same time, this will permit other members to listen to the member who has the floor if they are interested.

[*Translation*]

I would invite hon. members to follow the debate or at least not to prevent the hon. member who has the floor from proceeding with his remarks.

The hon. member for Champlain.

Mr. Matte: Thank you, Mr. Speaker. I thank my colleague from Bellechasse for helping me make myself heard.

I was saying that if we were to proceed from a basic principle such as that of the products we are manufacturing, it would be found that they are being made for consumption. Consequently, the normal tendency would be to work towards balancing production and consumption; this is obvious. If the question were asked to any individual of any age he would also understand that if products are manufactured it is for consumption purposes and if we want them to be consummed one must have the necessary purchasing power.

But today we are faced with such a complex situation that we sometimes take action which interferes with production, which does not afford the consumer the purchasing power which he requires to buy those products. Then, from both sides, we give rise to ridiculous situations because it is unthinkable in a country such as ours which can produce about all kind of products, where we enjoy all we need for food, clothing and lodging, that we can even think of a shortage of products.

I think we all agree on this principle. Surely in such a rich country as ours we have all we need. As happened last year, when we were short of dairy products, of milk powder for instance—which could have been sold easily had it been available—because of a government which did its utmost to prevent milk producers from producing more, we were faced with a ridiculous situation.

We voluntarily impede or paralyse production in a field, and that is followed by a shortage; then, imports are even vindicated in a field where we can produce as much as we want not only for our own purposes, but for other countries as well.

Those ridiculous situations, we have had several of, and still continue to have. It was decided once again to pay not to have people sow feed grains out west when it was known quite well that eastern producers, particularly in Quebec, were in need of it. That is again another intolerable situation; on the one hand, we pay not to sow and, on the other, we sell at excessive prices products we would need for other related productions.

Mr. Speaker, we are always faced with such irrational situations. Why? Because we do not accept the basic, elementary, economic principles as the one I mentioned earlier, that products are made to be consumed. If they are to be consumed, let us give people the necessary purchasing power with which to buy them. If that principle were accepted, would it be possible to talk about inflation? Never since then prices do not matter, and the whole thing becomes a secondary issue. If products cost so much and consumers are given so much with which to buy them, prices do not matter, what is important is to have the power with which to buy them.

In a system where money is used to promote exchange and distribution, when a means becomes an end, the result is situations such as the one we have.

That is why, Mr. Speaker, we will never be able to right the situation and find adequate solutions to those problems of inflationary pressure and price escalation until we think about solving at the root level the economic problems that creep in and perturb the whole financial system, the whole system of production and the whole system of consumption. One day, we shall have to wake up and try and find the only real solutions which are those we are advocating and shall continue to advocate. Then Canadian consumers, treated more equitably, would find it easier to gain their freedom and prosper.

● (2140)

[*English*]

Mr. Elmer MacKay (Central Nova): Mr. Speaker, before intervening in this very important debate on the motion before the House I would like to assure my friends in the Créditiste party that we on this side are very interested in what our French-speaking colleagues have to say.

Although we are not as great linguists as is our leader, I want to assure them that we are very interested and attentive, and we wish we were as proficient in their language as they are in ours.

I would like to do tonight what I would hope the government would do in combating the economic ills that beset this country, that is, get straight to the point. I would like to ask the Prime Minister (Mr. Trudeau), if he were here—I suppose he has Hobson's choice tonight, which is either to go down to the Chateau Laurier and tell the people down there what is wrong, or come to the House of Commons and tell hon. members what is wrong, and perhaps he has taken the easier choice—whether he could reconcile his present fiscal and economic policies with a meaningful and serious commitment to fight regional disparities. That is what concerns me tonight.

Does the Prime Minister have any such policy? Does he have any studies which would indicate the extent to which inflation and high interest rates are impeding regional development projects and exacerbating price inequalities across this nation? If he has, I wish he would bring them forward because this is no imaginary problem, as is illustrated in a recent article prominently displayed in one of the major newspapers in Canada; incidentally, one from a province with which the Minister of Regional Economic Expansion (Mr. Jamieson) is familiar, namely, the province of Newfoundland. The Newfoundland minister of development is quoted as saying that some DREE projects are running between 30 per cent and 40 per cent over what was allocated for them. It is apparent that escalating costs may delay DREE projects, as this article points out. These words can be found, for those who are interested, in the *Evening Telegram*, one of Newfoundland's major newspapers.

Would the Prime Minister, or someone in the government, tell us how much higher the price of food has to go before the Prime Minister will introduce substantial measures to deal with rising food prices, interest rates and economic problems, and what it will take before the right hon. gentleman will appear before the Special Committee on Trends in Food Prices to explain his government's policies? It has been alleged here tonight that there has been no precedent for this. That may be so, but I have the distinct understanding that a previous prime minister, R. B. Bennett, did in fact appear before the finance committee in times past to explain the government's policies to be dealt with by the committee. I would recommend this course of action most heartily to the Prime Minister.

In view of the fact that the price of food items such as bacon varies from $1.99 in St. John's, Newfoundland, to $1.29 in Ottawa, can the Minister of Transport (Mr. Marchand) or any of his colleagues tell us if there are any plans to change the present freight rate structure to alleviate the substantial price disparities which are so painful to the outlying parts of Canada, where people are suffering from slow growth problems and a depressed economy?

Will the Minister of Regional Economic Expansion tell the House what efforts he has been making to counter this government's fiscal policies in order to further his own responsibilities to attack regional disparities? Living costs are higher in slow growth areas—this is the cruel paradox—and wages are lower, as the minister should well know. If this government is really serious about alleviating regional disparities, why will it not at least consider equal pay for those under the jurisdiction of the Treasury Board across this nation?

Why does the government permit the Minister of the Environment (Mr. Davis) to freeze shipbuilding subsidies? He is freezing the wrong thing, Mr. Speaker, and his action has put men out of work without compensatory measures being taken. This is a direct attack, in most cases, on the slow growth regions of Canada. This action has put hundreds of men out of work without other measures being taken to counter it.

Why has the government not adopted the report of the Standing Committee on Regional Development? That committee, although hamstrung to some extent by being convened late, has functioned reasonably well in a fairly bipartisan manner. One of its recommendations was the creation of a joint task force made up of key personnel from the Department of Regional Economic Expansion and the Department of Transport to address itself to problems of common concern to both these departments, and to co-ordinate and integrate the development of a national transportation policy with that of a policy to alleviate regional disparities. This would make life easier and would make the task of this government easier in combatting the real problems at which it should be looking if it is serious about attacking the inequalities that exist in Canada.

We watched with interest what became of the motion which was moved by myself and seconded by none other than the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. Prud'homme). There has been no action. I ask again: When will the government take its responsibilities seriously?

It is interesting to note that the government became aware of the western problems when its position in the west was being further eroded. The hon. member for Crowfoot (Mr. Horner) pointed out shortly after the beginning of the session, in his usual forthright but always kindly fashion, why the government lost the west. Well, they are hardly number one in the east either. If it were not for the program called LIP and the judicious use of the same, this government would have lost more than the east; they would have lost what some columnists say is the Prime Minister's sole salvation—the artful dodger, the President of the Privy Council (Mr. MacEachen), to whom the Prime Minister has given full credit for keeping this vacillating, weary and unimaginative group of cynical opportunists in power. That, Sir, is an awful lot of responsibility for anyone to bear.

Mr. Turner (Ottawa-Carleton): Who has the copyright on that?

Mr. MacKay: If the Minister of Finance (Mr. Turner) wants to know, let me tell him that there is no copyright. What it requires is just good common sense, something he could use.

Some hon. Members: Hear, hear!

Mr. MacKay: As I was saying, it is an awful lot of responsibility for anyone to bear, even for the President of

the Privy Council, to keep this government in power. It must be a heavy load on his conscience if it is true, particularly for a minister from Nova Scotia because we in Nova Scotia pride ourselves on our clear consciences; that is why so few Nova Scotians voted for this government.

In any event, the Prime Minister's tribute was very interesting. If he has really kept his leaky ship of state afloat, it certainly relates directly to the priorities of this government and it shows that his priorities are indeed terribly mixed up so far as the welfare of Canada is concerned. Rather than dealing with the really pressing issues that beset this nation and formulating a prices and incomes policy to combat inflation, to deal with fiscal and monetary reform, regional development or federal-provincial relations, this government is obviously only preoccupied with its own survival. So I plead with the Prime Minister and with the Minister of Regional Economic Expansion to formulate some constructive policies, and to act instead of always reacting. Sometimes it is just as difficult to get something constructive past this government as it is to sneak sunrise past a rooster, as they say.

The Minister of Finance said this afternoon that this was a mobile economy—I hope I am quoting him correctly—and the government has to be flexible to deal with it. It is one thing to be flexible; it is another thing to be loose and aimless—and this government has been about as loose and aimless as it is possible for any government to be. The fantastic breakthrough with the United States that the Prime Minister spoke about some months ago has hardly materialized. The war on inflation which he said was won, judging by the latest figures has not even been slowed down. As the hon. member for Annapolis Valley (Mr. Nowlan) said, if we have turned the corner on inflation then it looks as though the government has gone around the bend after turning the corner. The Prime Minister's assessment of our economic problems fully justifies the regard in which he is held by those who understand the realities of economics—a big, fat zero.

● (2150)

What is really the government's policy on regional development is hard to discover. We know the policy is multifaceted; the minister has told us this. We know it is multidimensional; he has said so. We know it is decentralization. But the important thing is: does it work? It appears that that is open to question. Many people say it does not work. The minister of development for the province of Nova Scotia said it does not work, and he resigned from his post. He was development minister for a Liberal administration in a needy province.

An interesting statement was recently made by a prominent adviser to the Liberal Party, Cam. F. Osler, who is the son of E. B. Osler, a former Liberal member of this House, in a position paper entitled "A New National Development Policy for Canada," presented to the Liberal Conference on Western Objectives, commonly referred to now as the Liberals' western wake. This new national development policy for Canada presented by this man, who is an economic consultant with Headland Menzies in Winnipeg, who has a Master of Economics Degree from Simon Fraser University and who has a solid affiliation with the government party, says on page 13:

[Mr. MacKay.]

This paper has emphasized the need for a new national development policy.

What has happened to the current multifaceted, multidimensional, high-powered decentralization policy which was supposed to be the greatest thing since subsidies to solve this country's regional development problems, if already we need a new one before the current one is implemented? According to the press, personnel who are supposed to be decentralized and moved out to the disadvantaged areas are refusing to go. What chaos!

In closing, Mr. Speaker, may I say that the government in all decency should remember that people in the slow growth areas of Canada do not have the savings and the resources, on average, that many Canadians have. Their wages are lower and their savings are less. Their positions are being eroded further and faster by runaway inflation and high unemployment.

In fact, despite the high-flown statements of the Minister of National Health and Welfare (Mr. Lalonde) about his pension improvements, which we of course support, the people of Canada have less purchasing power for their dollar than ten years ago, and we have seen that pension increases have not even kept pace with inflation, which presently is four times what it was during the previous Conservative administration.

The government should raise wages of employees under federal jurisdiction. It should promote the fishing industry, not sabotage it, and eliminate discrimination against fishermen regarding UIC. It should attempt to receive advice and to listen to people in the private sector, to organizations that have constructive suggestions to make, the ADC, the Atlantic Provinces Economic Development Council, the Northern Ontario Development Corporation, and so on.

The government should bring in regional banking policies to take into greater account special needs of slow growth areas for credit. It should act now to provide a domestic funding agency to counter the possible effects, particularly on the Atlantic region, of legislation to deal with foreign investment, namely, Bill C-132.

We in the Atlantic region are conscious that in the national interest it is a good idea to control foreign takeovers and foreign domination of our economy. But we are also mindful that we do not want it done solely at our expense. The minister in charge of the Department of Regional Economic Expansion is very well aware of this potential problem. He recognizes the need for some domestic funding agency, perhaps a Canadian equivalent of the Export Development Corporation, to provide the funds which may be cut off if such measures are adopted, funds which are essential for regional development. As I say, the minister is aware of this problem, and of the apprehension of governments in the Atlantic region.

Most of all, until it has the courage to go to the people with its coalition partners on the extreme left, the government should try to overcome its built-in obsolescence and incompetence. These qualities, together with its association with the NDP, are fast leading it down the road to oblivion. But for the brief period that this administration has left, I suggest it make every effort to cease fouling-up the stewardship that the people of Canada so reluctantly gave it to manage the affairs of the nation.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, every so often each of us in the House of Commons feels a special sense of responsibility to this institution and to the country. I want to make my opening words tonight ones of appreciation to the hon. member for Don Valley (Mr. Gillies) who in his quiet, sincere way and with that deep knowledge he has of these matters presented a case in the form of a series of questions to the government that I think moved us all. I think the Minister of Finance (Mr. Turner) and the Minister of Agriculture (Mr. Whelan) should be congratulated for listening carefully. I know that the remarks of the hon. member for Don Valley did make an impact.

I do not believe there is anyone in this House, or for that matter in any country in the world, who can claim to have a sure-fire answer to what ails western economies. All we do know is that the music is the same as it has been for two decades. I want to put on the record tonight the fact that the subject we are debating, in the serious mood that the House is in, is not new. The administration to which I belonged from 1957 to 1963 was just as deeply concerned about nagging unemployment as the present government should be, and as I am sure it is. We were so disturbed with the type of advice we were getting that we set up a royal commission now known as the Porter Royal Commission on Finance. That commission reported to the Government of Canada in the year 1964.

The message contained in the royal commission report—and in particular I commend chapter 20 to the Minister of Finance—is probably the worst indictment that a public investigating committee has ever laid at the door of public servants in any country. The indictment it laid at the door of the advisers to ministers of finance and government is that they ignored the knowledge that was available to advisers of government in the modern day. Yet since that report came down in 1964 I have been in this House and witnessed several ministers of finance destroyed because they took this same advice from these same advisers. In the speech on the baby budget of September, 1966, I said to the then minister of finance, "You have taken the advice of the same people who got us, and Walter Harris ahead of us." And I saw that minister destroyed. He now sits in the House as the Secretary of State for External Affairs (Mr. Sharp).

So in looking at the Minister of Finance tonight I do not do it with any type of personal animosity; I do it in this sense, that I see him sitting in a position where many a good man, many a great Canadian has been destroyed because of the inability of those who advise governments in Canada, and in other countries as well, to change the doctrine they learned many years ago and which is now obsolete.

I do not quarrel with the earnestness and sincerity of these people. I simply say that the evidence has been here for 25 years that this type of stop-go, stop-go monetary and fiscal policy is not only destroying this country's chance to grow and benefit from all we have got here, but is destroying other countries' chances as well. The Minister of Finance rose in this House today and asked these questions of the hon. member for Don Valley: What is the policy of the Progressive Conservative party? What is the alternative?

Cost of Living

• (2200)

I am just going to suggest, Mr. Speaker, that since January on several occasions I have heard our leader, the Leader of the Official Opposition (Mr. Stanfield), lay down his principles, his philosophy, in favour of potential budgeting. I would point out to the Minister of Finance (Mr. Turner) that this philosophy of potential budgeting has been ignored, laughed at and scoffed by every adviser to every minister of finance that we have had in this country for the last 20 years. The predecessor to the present minister, Mr. Benson, saw fit to scoff at it on national television, just mouthing the words of his advisers.

In simple English, the theory of potential budgeting is to give every man who wants to work a chance to work and every factory that has the capacity, the chance to produce. Because of the failure of the advisers to the government to look at this theory, Canadians have not had a fair shake in getting the advantage of its potential. I am not here to try to enunciate the details of the various theories available to the government but I want to cover some of the salient points.

First of all, there is a precedent for the use of potential budgeting and that is the budget of the United States in 1964. The story of the successes and failures of the policy is available in written form, but no serious effort has been made in Canada to study this approach or try it because those who run this country do not sit in this House. They sit in the advisory seats in the Department of Finance and the Bank of Canada. Until the minister acts with the power that the people of this country gave him to speak for them and give leadership, we will never have a chance to look at that theory.

The second point I want to make, Mr. Speaker, is that over the last seven or eight years in this and other countries a tremendous pressure has been building up from a type of inflation that was not even heard of in the days of Lord Keynes, he who guides the minds of those who guide the minister. I am referring to what is technically called cost-push, the cost-push of ever-rising government taxes. Just a decade ago the cost of running the federal government borne by the people of Canada was $5 billion per year and now it is $20 billion, increased four times in less than a decade. Interest rates have been discussed enough and are a cost-push. In our day we had a money supply of about $11 billion to $13 billion that our masters allowed us; now we have $48 billion, again over four times as much. I could go through all those cost-push forces leading to big unions, leading big business to join with big industry to get their share. As every member of every party in this House knows, the burden of this has fallen on those who do not belong to big government, big business or big labour.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): I think everyone agrees with the remarks made today by the hon. member for Oshawa-Whitby (Mr. Broadbent) and the hon. member for Greenwood (Mr. Brewin). Every member of the House can support those views. Housing has been made the tool of policy in the Department of Finance in the last 20 years, a stop and go policy. All the young

couples who wanted a home, all the old people who wanted to maintain the home they had, have had to pay the price of this narrow, obsolete economic doctrine of the 1930's.

I have heard the hon. member for Calgary North (Mr. Woolliams), and I have heard many members of our party in this House and across the country, say that we accept housing as a necessity that ought not to be used by a group of financial advisers as a way of juggling control. I make this suggestion to the Minister of Finance with deep sincerity, and I think every member of his party supports it, that he take a look at this advice proffered not only by our party but other parties as well. It is not partisan advice. The suggestion is made on behalf of the 800,000 people to whom the hon. member for Calgary North referred. Every year, 4 per cent or 5 per cent more people want to have a new home instead of crowding into the ant heaps in the cities. Give Canadians a chance to have a little bit of soil and a house of their own which is the Canadian way.

The third point is that along with this new phenomenon of cost-push, pushing up prices, we had a group of government advisers applying to it an obsolete method of controlling inflation. Cost-push is not controlled by money, by adding more taxes because that is what cost-push is. That is what this government did in 1969. Then they were so horrified by the results that they turned around and poured money into circulation like mad. Today, we have the phenomenon of expensive money, unemployment and high prices, in a package. I do not blame the Minister of Finance; he is just a chip on a river hoping some day to touch shore. All I am asking of the Minister of Finance and his colleagues is to challenge this control of ministers of finance by their advisers. They have a record for 25 years of being consistently wrong. In our day we may not have been very good, but at least we challenged them.

During the past ten years I have put a number of speeches on the record. Time does not allow me to read them, but I will give the minister the dates if he wants to read some of them. They were made on April 1, 1966; September 8, 1966, and October 10, 1967. In the time allotted to me on those occasions, I seriously tried to put forward some short-term and long-term proposals, principles of selectivity, timing, selectivity by region, selectivity by industry, selectivity by purpose. All those things can be covered in what has been said on this subject in the last two or three months in this House. I have not met any group of economists in any university in this or any other country who have been able to challenge the logic and coherence of those proposals, but there is no evidence yet that they have even been looked at by the advisers to the minister. This is what I want to say, this is the type of thing I would like them to look at and these are the types of policies to which our party is pledged.

In the last few months, we have had the old-fashioned phenomenon of old-fashioned shortages arising. We will soon have shortages of fuel, food and steel and, of course, a shortage of fibre is on the horizon. As one hon. member from the Social Credit party asked tonight, why should Canada, why should the United States, why should Australia, why should Western Europe all be short of these things? My God, the productive potential of the United States and Canada for food has been barely scratched. Why is there a shortage in this country? The shortage

[Mr. Hamilton (Qu'Appelle-Moose Mountain).]

results from the decisions of the advisers to the government who made the decision in the fall of 1969, and implemented it in the spring of 1970 to deliberately have a shortage of production as a way of getting prices high—the Lift program, the national products marketing bill, the Stabilization Act, the small farms program, the objective of which was to get two of every three farmers off the land and keep prices down long enough to force them off the land. I do not have to go into all that. The governments of the United States and Canada are equally guilty, along with the governments of Australia and Western Europe, of making food short in their own areas. This winter, ten million out of 30 million people who are now suffering from famine are expected to die. We have forgotten the problems of others in looking at our own navels.

Finally, Mr. Speaker, our problem is not insoluble. What is of more concern to me is that we have never been closer than we were in 1924-29 to a breakdown in world monetary affairs. The government knows this, the NDP know it and we certainly know it. The meeting in Nairobi, referred to by the hon. member for Don Valley (Mr. Gillies), will deal with this problem. In essence, it is that trade between nations is increasing at such a rate that we do not have the monetary media to handle it. Just as in 1924-29 gold and English sterling would not do it, so in 1973 neither American dollars nor the SDR's are sufficient, yet we cannot get out of this government any indication from their philosophy or policy that this is the problem.

• (2210)

If the world machinery of trade breaks down, what country will suffer the worst? We will. This has a tie-up with our domestic policy. That is why the hon. member for Don Valley asked simple, elementary questions. We Conservatives know what we would like to do. Where is the policy, if you have a philosophy that deals with things like the value of our dollar in relation to the American dollar, Swiss francs, German Deutschmarks and the Japanese yen. These are all tied up with this domestic situation. We know what we want to do. We have held meeting after meeting to discuss what we want to do, but we have to get stability before we can do these things.

It is not any accident that the Conservative party, surely the last party that would ever go for controls, should come out and say we see no recourse but for a 90 day freeze, then one and a half or two years for controls to ensure stability so we can move forward with our long and short range policies. Whenever the Conservative party accepts that position, great is the danger to the nation because in the long run, controls are inflationary. You have to get out of them as fast as you can. However, you cannot put in these policies and make these changes unless there is that economic stability. That is what I am asking this House to consider.

We moved this motion because, under the rules, we do not have any opportunity to use in the old fashioned method of considering the estimates to put a minister on a griddle for days until we get some answers. Under the new rules, we cannot question him in committee and we cannot question him in the House and get answers. We are asking the government to accept the fact that there is sincerity in all parties with regard to this problem of inflation that is affecting all our people, to take a look at it in a non-parti-

san way and believe there is one party in this House that is willing to try new ways to tackle new problems.

We say with complete assurance that there is no hope in the policies followed for the past 25 years. Just as other ministers have been destroyed, so is this minister being destroyed by giving the same answers that have been given in this House for the past 25 years by every Minister of Finance when these crises occur. I warn this House this is not just a Canadian or western world crisis. The whole international picture is at stake. The OECD is pleading with us to get our own houses in order, to go to Nairobi, put forward proposals and get at this problem domestically and internationally.

I assure the minister we do not say for certain we have the final answer, but we are seriously and sincerely disturbed over the answers or lack of answers we are getting from this government. We ask that very serious consideration be given to the fact there are alternatives for Canada other than those suggested by the advisers to the minister.

Some hon. Members: Hear, hear!

Mr. Bell: Mr. Speaker, I rise on a point of order. A suggestion was made some time ago that we might further reduce the time of our speeches to 10 minutes. I realize this would be a hardship for some members, but for the sake of the staff, who will be here many hours in view of the lists that are available, at least from this party, it might be in order if Your Honour would try to seek consent for a 10 minute limit.

Mr. Deputy Speaker: I will put the question to the House. Is there agreement there should be a 10 minute limit?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: There is not agreement.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I know if we gave you enough time, it would come out all right. It is understandable, considering the lateness of the hour. I understand the official opposition was entitled to precedence today in order to introduce their motion dealing with prices. However, one wonders why they bothered since they have so little to contribute to the debate.

Some hon. Members: Hear, hear!

Mr. Saltsman: It may be that the role of the official opposition is not only to numb everyone in this House into acquiescence, but to attempt the same thing with the nation. There does not seem to have been anything in the speeches of members of the official opposition to give any indication they have any idea of how to deal with this serious problem of inflation.

I listened to the hon. member for Don Valley (Mr. Gillies) for whom I have the highest regard. I say that sincerely. I could not understand whether his logic had left him or mine had left me. I listened to him recite all the countries that had imposed wage and price controls and then suggest that we do the same. When he recited the lists of countries, many of which have higher levels of inflation than Canada, I noted that all were countries where program has admittedly failed. After the recital of disasters with wage and price controls in other countries, one would have thought he would have come to the conclusion we should not repeat the errors of others. Instead, he said that since all of them have tried it, and the record shows all have failed, Canada should not be left behind in this record of failure; we should try it. After all, we are a great nation. If everyone else has failed, we have an obligation to fail with this particular mechanism as well.

I also tried to understand the hon. member's reasoning with regard to the level of the Canadian dollar. Does he want the Canadian dollar to go higher? I am not sure what he wants. That probably merits the suggestion that if the Canadian dollar were higher than the American dollar, there would be some diminution of inflation in Canada.

An hon. Member: He wants it higher and lower.

Mr. Saltsman: Possibly he does. I think it is only fair to point out that the effect of such a move would be to create massive unemployment in Canada. This is particularly sad when one considers that today one of the chief concerns of the official opposition seems to be with the high level of unemployment. A move in the direction suggested by the hon. member for Don Valley would simply increase the level of unemployment.

• (2220)

I did not think the Minister of Finance (Mr. Turner) was particularly brilliant when he asked the hon. member for Don Valley what the Conservative party would do about inflation if it were in office, but neither was the reply. It is not good enough to say: We are not the government; we do not have to provide the answers; the answer is: You guys get out and let us in, and everything will be taken care of. I have some doubts about that approach. From time to time there is a question in my mind. I take a look at the government benches and I sometimes wonder whether we should be harder on their occupants than we usually are. The only thing that restrains me from taking precipitate action is the unlikely possibility that we might replace what we have over there with what we can see over here.

Some hon. Members: Oh, oh!

Mr. Saltsman: One must admit it is a Procrustean choice. Whatever the faults of the New Democratic Party might be, and, like some people, I do think there are faults in the NDP from time to time—

Some hon. Members: Oh!

Mr. Saltsman: —I agree it is not very often but one must be fair in these matters—at least when we criticize, and we criticize fairly often and quite strongly, we do at least offer alternative proposals to what the government is doing. The evidence in support of this assertion is that from time to time some of our proposals are accepted by the government, or stolen, depending on which way you look at it.

I want to deal with this question of wage and price control. It did not figure too prominently in the debate

today, and it may be the Conservative party is backing away from that proposition. I am not sure of the state of loyalty in that party toward price controls at the moment. I sometimes think that if, in consequence of the wisdom of the Canadian electorate, the NDP were forming a government, wage and price controls might be one of the things it would consider. The question I ask of the official opposition is this: would they be as enthusiastic over wage and price controls if the New Democratic Party were in power as they are now when they see a prospect of forming the government themselves? I do not think they would.

I say this because wage and price control is not a neutral matter which some board or other is going to impose. Wage and price control is a political matter and the decisions which are made—who shall benefit and who shall suffer—depend to a large extent upon the sympathies of the government in power. I am not prepared to trust wage and price control to either the Conservatives or the Liberals. Wage and price control is as much an instrument of rewarding and punishing in a society as is our tax system, and we have all seen what the government and the opposition have done with the tax system. It is important to remind the people of Canada that the opposition is extremely critical of the government except when it comes to such issues as the corporate tax benefits which have been given to industry. Then, the mask comes off and you see the debate as a non-debate. They are in the same game.

The official opposition had the chance of an election. We gave them that chance a little while ago. All they had to do was vote against the government when these corporate tax changes were introduced.

Mr. Kempling: Tell us about the Polymer vote.

Mr. Peters: Why don't you listen to the argument instead of making one?

Mr. Saltsman: You will have a chance to reply. They talk about inflation and what it is doing to the country. But when there was an opportunity to do something about inflation, like refusing to give this money to the corporations by way of tax benefits and increased depreciation allowances, they declined to take it. It was absolutely the wrong policy for anyone worried about inflation to endorse, because it is extremely stimulating. It is the kind of thing which should be done, perhaps, when there is a depression. If you do it in a period of inflation when you are worried about prices, the only conclusion is that you are doing somebody a hell of a big favour and you don't care about the inflationary consequences.

First of all, the purpose was obviously expansionary, if it had any purpose at all. It would pump more money into the economy. It would certainly not lower prices; there is no evidence that the $500 million which the government so generously dispensed to the corporations of Canada has led to any change in prices. Prices have not changed one iota. The Minister of Finance is winding up with egg all over his face. The people to whom he has been generous are shafting him right and left. Even before the promised report comes in, they are saying there has not been enough time to assess the situation, that the questionnaire has been improperly worded, and so on.

[Mr. Saltsman.]

If the minister had wanted to reduce prices he would have reduced tariff concessions because prices in the manufacturing industry depend entirely on import prices plus the level of tariff. As long as tariffs are not changed, a low rate of taxation simply increases the profit levels of corporations. This is equally true of the improved depreciation allowances. They are obviously inflationary and designed to stimulate purchases of machinery in the hope of producing an upsurge in the economy. We know what position the government has taken. That is clear. We have all heard what a terrible bunch they are over there, and we acknowledge this, because, after all, we did fight an election upon these issues. But where was the Conservative party when the government was being so generous to the corporations? Where were the great defenders of the people and those who are so terribly concerned about inflation? Did they speak up on this issue?

An hon. Member: Where were you during the Polymer debate?

Mr. Saltsman: I can understand that the Conservative party would like to form the government. Then, if they introduced a wage and price policy, they could be even more generous to the corporations. One has to remember that as industry functions now there is at least some rationale attached to the marketing system, whether just or unjust. If we were to move into a system of wage and price controls we would have the government playing God with people's incomes, and I am not prepared to see the Conservatives or the Liberals play that kind of heavenly role. I have no faith that they would favour the working man over those who derive money from interest or dividends. I am not persuaded that they would be all that sympathetic to the wage earner. Although it is easy to appraise wages, how do you appraise profits, interest, dividends, rents, and where would you stop?

• (2230)

An hon. Member: Why weren't you the lead speaker?

Mr. Saltsman: We have so many members that it is always a problem for us to decide who is going to get up. I realize the hon. member does not have that kind of difficulty. I realize the hour is late, Mr. Speaker, and that there is some rowdiness, which is understandable, but apart from a few throwaway lines I have not yet got to the meat of what I wanted to say. This is due to the harassment I have had from that side which has diverted me from the more serious aspects of my remarks.

We have talked about the cause of inflation. One speaker said it is cost-push, another has said it is a demand-pull, and a third offered what seemed to me the more common explanation that it is totally due to the iniquity of the Liberal party. That is a reasonable explanation. However, if we look at those items that have escalated most in price, we find almost invariably that they are items that we are exporting around the world. The point is that there is no shortage of anything in Canada. There is some inflation that originates outside this country but there is nothing we can do about that.

Really there are two aspects to inflation. First of all, you can deal with problems in which we have some say. But

we cannot control the price of coffee in Brazil or determine what grapefruit is going to cost.

An hon. Member: Or bananas for that matter.

Mr. Saltsman: No, nor bananas. But what we can do is to insulate ourselves from price increases that have nothing to do with any increase in the cost of production in Canada but arise from the cupidity of the owners of resources. What happened in this country is that those resources of which we pride ourselves on having a surplus are increasing in price. Oil is a perfect example. We have been exporting oil. The Americans are willing to pay more for oil, therefore Canadians must pay the same amount. Fortunately, the government has stepped into this situation, though not adequately or fast enough, but they may in fact have stumbled upon a policy without knowing anything about it.

As I say, the price of oil increases outside Canada. Canadians, therefore have to pay more. It is not a question of the cost of producing oil having gone up. To produce a barrel of crude in Canada costs less than $2, including provincial taxes, yet it sells for $4.50. So who gets the balance? That is the result after the government has been exceptionally generous. Both Liberals and Conservatives, the Conservatives more so than the Liberals, have said that it is iniquitous to tax the oil industry, that these companies cannot afford it, that we should not take away their special benefits. So, we had a white paper and the oil companies were left intact to profiteer in this country. But they do not have any commonsense. It is one thing to profiteer abroad; maybe you can get away with that. But if you do it in Canada, that is going too far.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but I must inform him that, despite a certain indulgence by the Chair, the time allotted to him has expired. He may, however, continue with unanimous consent.

Some hon. Members: Agreed.

Mr. Saltsman: In deference to the many members who wish to speak, I shall now take my seat.

Mr. Deputy Speaker: I hear a no, so I regret to inform the hon. member he cannot continue.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I do not think I shall ever live to see the day in this House when anything proposed from the government benches is accepted with enthusiasm by members of the opposition. One of the great tragedies of the parliamentary system is that there are probably a great many sincere people on both sides of the fence who, owing to the operations of the parliamentary system, are dedicated to oppose each other. I do not for one moment denigrate the sincerity of hon. members on the other side, but I do feel it is extremely frustrating, in trying to make heads or tails of the debate on this subject, to try to put together the very sensible and interesting speeches by the hon. member for Don Valley (Mr. Gillies) and the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), I think it was, and compare them with speeches that have been made by their leader and other hon. members. What those two members did was to try to focus on the underlying nature of the difficulties that we face, while the others who have spoken for the official opposition have seemed to focus almost solely on the froth, on the surface of the debate, and on the political propositions they might be able to find.

One of the things I have been reading the past little while has been the study prepared by the Food Prices Review Board. I realize that to some people that is a dirty word, but this is a study entitled "Wage and Price Controls in Britain". This study is an attempt by the board to find out the real effect of direct controls by governments in other countries which have experimented with them. We all know, because of our close association, the disaster that controls have been in the United States and the way they were operated in order not to put controls on at the farm gate. However, the effect was to put controls on at the farm gate anyway because the farmers were unable to sell their produce at cost or at cost plus a profit to them.

To deal with the situation in Britain, I should like to quote a number of statements from Dr. Smith's study. Before doing so may I point out that one of the difficulties with economics is to find an economist you can trust and follow. There is an old saying: Where there are three economists meeting you have at least six opinions. The problem is that you cannot find any group of economists who agree from day to day, the only exception perhaps being the hon. member for Don Valley.

I want to quote an economist who hopefully will provide us with some long-term advice. In a study of the impact of wage and price controls in Great Britain this is what he had to say:

> The frequency with which the British have resorted to an incomes policy over the past 25 years cannot be explained in terms of economic success of this type of policy. Many statistical studies have been made which have sought to estimate the divergence between actual wage and price movements and those which would have occurred in the absence of the policy. The results—though differing somewhat depending on statistical techniques used—suggest at times a short-run small positive effect, at times a short-run small perverse effect, and at other times no discernible effect; over the longer-run the studies have not found any lasting effect.

The conclusion reached after some 25 years of experiments with wage and price controls in Britain is that they have had no effect at all. And that is the policy that Her Majesty's official opposition wants us to follow in Canada, a policy that will have no effect at all. I am one of those who assumes that the Leader of the Opposition (Mr. Stanfield) is not a stupid man, that there must be some logical argument that he can advance in favour of using a policy that has been demonstrated to be bankrupt in Great Britain and just recently in the United States.

● (2240)

Professor Smith goes on to indicate exactly what the reason is.

An hon. Member: Is that Adam Smith?

Some hon. Members: Oh, oh!

An hon. Member: How did you ever hear about that?

Mr. Reid: I think hon. members would be interested to know the logic behind the official opposition's strategy.

An hon. Member: Sure, tell us.

Mr. Speaker: Order, please. Perhaps the hon. member might be allowed to make his speech.

Mr. Reid: Mr. Speaker, I am going to quote from the bottom of page 3 of this study. Dr. Smith goes on to say the following:

> An occasional use of incomes policy has been a politically attractive way of demonstrating that the government is trying to do something about inflation as well as about an advancement in standards of living and a fairer distribution of income. A cycle of popular support for incomes policy can be observed with pressures mounting for it, a reaction against it after it has been in force for a while, a lull as memories dim of the last experiment, and then a phase of renewed enthusiasm for a new form of the policy.

The Leader of the Opposition (Mr. Stanfield) sees that we have a problem in Canada and he wants to find a solution to it. What he suggests as a solution is that we do something that is not going to do anything, because it looks politically attractive. That is the economic policy of the Leader of the Opposition and his followers. If that leader could impose that policy upon his followers he would have a point, but today when the Minister of Agriculture (Mr. Whelan) announced a subsidy on milk and gave the amounts, an official spokesman for that party got up and said, "No good. We don't want it; we are against it".

Shortly after that statement, another member of that party got up and asked; "Why don't you give more?" Who really speaks for that party over there? Is it the hon. member for Don Valley (Mr. Gillies); is it the hon. member for Calgary North (Mr. Woolliams); is it the Leader of the Opposition; or is it the hon. member for Edmonton West (Mr. Lambert)? Who speaks for the opposition on financial policy?

Mr. Turner (Ottawa-Carleton): Will the real financial critic stand up?

Mr. Reid: In most other areas one can say who speaks for the opposition. One knows that the member who speaks on transportation is the hon. member for Vegreville (Mr. Mazankowski). We all know this. We know that the member who speaks on regional economic expansion is the hon. member for Central Nova (Mr. MacKay). But when it comes to financial matters we have a whole host of members who speak for the Conservative Party, all of whom make such a confused mess of it that nobody can understand, not even members on that side, exactly what is their policy.

I do not like to use outside examples to show the effects which a wage and price control program would have in Canada, but we know from experience what has happened in the United States. Dr. Smith has done an excellent job of showing what the results have been in Great Britain. I should now like to draw the attention of hon. members to an article which appeared in today's *Globe and Mail*, headed "Economists reject commission suggestion, claim wage, price controls serious mistake". This is the result of a study by two senior economists of the Royal Bank of Canada who in turn studied the official report of the prices and incomes commission. I want to emphasize to hon. members, particularly those in the official opposition, that no economist who comes from an organization that has the word "Royal" in its title could possibly be a friend of ours; therefore this is a neutral opinion. They said this:

> "It has been repeatedly demonstrated that controls are ineffective in an over-heated economy and the recent American experience with the price freeze, especially insofar as it applies to food prices, has shown the futility of such attempts.
>
> "With regard to the job of restraining demand, fiscal monetary policy still remains the best bet, whereas with the problem of supply shortages, a general price freeze is ineffective."

We heard the impassioned appeal by the hon. member for Don Valley in which he said there must be a better way. I really think he must have seen the movie called "The Candidate", because that is the scenario he was following. I suggest the hon. member is importing his political philosophy from the United States.

An hon. Member: Yes, and that candidate won.

Mr. Reid: In economic matters, the real problem lies in deciding which economist you want to believe. It seems to me that the economists the Conservative party have trained and trotted out once in a while, have run the full cycle of economic policy. These policies can be answered by any other economist in Canada.

My suggestion to hon. members is that the solutions advanced by the Conservative party, that is having a freeze or price and wage controls of some kind in co-operation with the provinces is completely unrealistic. I would refer hon. members to the experience of a former Minister of Finance, Mr. Benson, who attempted at one time to impose a voluntary wage restraint of 6 per cent. He went to a conference with the provincial premiers in Manitoba at which they all agreed to do everything they possibly could to restrain wage increases to 6 per cent. The business community was going to put the lid on price increases. What actually happened? When the crunch came the provincial premiers scattered like quail. They were not prepared to face the requirements and put up a tough front. The whole policy disintegrated and dissolved because the provincial premiers were not prepared to play their role. It seems to me that anyone who makes a suggestion that provincial premiers will allow themselves to be sucked in by members of the official opposition, putting their political lives in their hands, is completely out of his mind and is not aware of the situation in Canada.

The western industrialized world went through an unfortunate recession in the period 1969-70.

An hon. Member: Oh, come off it.

Mr. Reid: As the hon. member for Verdun (Mr. Mackasey) has indicated, the people who suffered from that were the working poor and those who did not have enough fiscal strength to protect themselves. The position the government has taken at this time is that most people are in a position to protect themselves from the worst of inflation, and, therefore, it is going to provide a series of measures to protect those who cannot protect themselves.

An hon. Member: You don't believe that.

Mr. Reid: The idea is that because the problems of inflation being faced by Canada today are those caused by shortages of supply, keeping in mind those who would be hurt by a wage and price freeze, the government is trying to provide subsidies for those who require them and assistance for those who are too weak to defend themselves. That is a policy I think is reasonable under the circumstances. It is also a policy that deals with an operation we used to call, when I came to the House of Commons first, the Phillips curve; the trade-off between full employment and inflation. In other words, there are two sides to the same coin.

The economist I quoted before made the point that:

—in Canada to conclude that there is a normal unemployment rate of slightly less than 5 per cent, below which the economy cannot operate for long without setting inflation in motion.

"One can move a little bit below this in the short run, but then wage rates and prices will rise and the attempt to restore price stability will eventually lead to higher-than-normal unemployment.

I think there is some truth in that, and that as we reach a state of full employment there will be additional inflationary pressures. These pressures will be increased by what the hon. member for Central Nova indicated as being a fact; regional disparity in this country. Our economic growth and our requirements for labour are not in the same places at the same time.

It seems to me under these circumstances that the policies which the official opposition has attempted to advocate, from which they are running away or hiding or for which they are losing enthusiasm, are those policies which are designed to cause the problem to get much worse, and cause an awful lot more difficulty.

In my opinion the government is trying to walk an extremely narrow line. The position is delicate, but it seems to me that the position the government is trying to follow to protect those who cannot protect themselves is a lot more preferable than the policy of blind disaster which the Leader of the Opposition and some of those who follow him have adopted. I think this debate has been useful in exposing the lack of initiative and the lack of ideas of the official opposition.

● (2250)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, as the old saying goes: "Who knows what tomorrow holds?" It is absolutely true. There is however an exception. Canada's Progressive Conservative governments and Liberal governments follow each other and, strangely enough, they are alike.

In 1973, the main subject of discussion is inflation. In 1957 an 1958, the main subject of discussion was inflation. Then those who want to go back a little can easily be convinced that this statement is absolutely true.

I have an article published in 1958 which explained the political program of the Conservative party which wanted to succeed the Liberal party. I shall quote it without partisanship but simply in order that we realize that regardless of the government in office, in the present financial system, we always have the same problems. It is a cycle which repeats itself every 10, 15 or 20 years and we have again the same problems because we have always the same things.

Mr. Speaker, I want to quote an extract from the statements of the time so that we realize that we are still in a similar situation today. The Minister of Finance (Mr. Turner) seems to think: How true what he is going to say seems! It is true. I invent nothing. This is written in a political document published at the time which could still apply in 1973 if elections were announced tomorrow.

Mr. Turner (Ottawa-Carleton): Let us forget the party!

Mr. Lambert (Bellechasse): I shall forget the party, but quote the remarks, the comments and the suggestions made at the time.

Here is what we read in this document:

Inflationary forces are destroying the purchasing power of the dollar, which is prejudicial to the interests of those who receive old age pension, family allowances and veterans' pensions, as well as those who have fixed incomes. Today, the purchasing power is 53½c. compared with what it was in 1939.

In 1973, we are making comparisons with what it was in 1957, then we find ourselves at grips with the same problem.

And I go on quoting:

Inflation is the main national problem that Canada must face today. Everyday Canadians are at grips with this problem as a result of ever increasing prices. All that is done is to curb credit and increase interest rates.

As the Minister of Finance said this afternoon during the oral question period, and I quote:

Such a policy cannot possibly deal with inflation unless the federal government stops wasting money.

At that time, the government was accused of being a waster. Today, nothing is said about it but it happens however that a few departments make unconsidered spendings. No one considers things in depth because this is not the main point of interest today, but if one wanted to make an effort, for instance, and read carefully the report of the Auditor General of Canada, one could find out that in a few departments, credits allotted for such or such purpose in the budget have been missappropriated and that the money was wasted.

And later on, they speak about a fair share for farmers. Now, it is the same today. And I go on quoting:

We will guarantee the farmer a fair share of the national income by maintaining a flexible program of support prices to ensure the parity of farm products, parity founded on an equitable relation between sale prices and cost prices.

Now, wanting to guarantee such parity is absolutely logical, but the necessary means must be taken to achieve it. Let's be frank: are we really?

Yesterday, we passed laws intended to increase certain pensions. Last week, we passed a bill to increase the old age security pension. Yesterday, we also adopted a law to up family allowances. Each time we did so to increase the purchasing power in the lower income brackets, to fight inflation.

● (2300)

Mr. Speaker, if we take the trouble to refer to the Larousse dictionary and analyze the word "inflation", we

discover that it is excess money in the hands of consumers, while there is a shortage of products to meet consumer demand. Now that is not the case at the present time. There is production in every shape or form, which really corresponds to the wishes of the people. Perhaps we could do more.

But what I find exasperating in all that, Mr. Speaker—and I should like here to be the spokesman for all those agricultural primary product producers—is that they always let people and consumers believe that it is the producers who are really responsible for the increase in food prices while that is absolutely untrue.

A casual glance at statistics will confirm that about 20 years ago, farm producers earned only 28¢ out of each dollar spent for food by consumers. And in 1973, to look at more recent times, we find that only 10 per cent of each dollar spent for food by consumers goes to farm producers. Which means the Canadian consumer spends less for food than any other consumer in any other country. It also means that if prices increase, it is on account of the voraciousness of some people somewhere and that is what we must find out.

That is why, Mr. Speaker, during the month of August, at a press conference—and I wish to repeat it tonight in this House—I had asked that the Food Prices Review Board do its duty, carry out its work and that if it did not have the power to exercise an effective control and show Canadians the real cause of the price increase in food products, the president should resign. I had also asked that the hon. members be recalled immediately to resume this session in order to deal with such a problem and bring in a solution.

Since then, Mr. Speaker, official statistics were published in newspapers. Following thorough research it was proven that the real culprits for the price increases in food as well as in many other fields are the combines, the large limited companies which are unknown to consumers but which fatten themselves up at the expense of the public by demanding inflated prices, thus making profits possible for themselves.

I have on hand a table published by an economist, Mr. François Dagenais who is working for the Quebec Agricultural Producers' Union; I do not mind giving his name because he is a responsible man who goes to the bottom of things. In that table, Mr. Speaker, we note that in 1972 and 1973, Dominion Stores Limited have increased their sales by 24.1 per cent, their income by 188.2 per cent. Let us ask our agricultural producers, our milk and egg producers, our poultrymen, etc. whether they have succeeded in increasing their income by 188.2 per cent!

Steinberg Foods Ltd. has reported a sale increase of 11.2 per cent and a profit increase of 58.2 per cent. As for the top profits, Harvey's Food Ltd. has reached it. Indeed, that company has increased its sales by 30.6 per cent and its profits by 646.5 per cent.

Table No. 2 shows the increase in sales, profits and taxes in the processing industries and indicates that Dominion Dairies Company Ltd. has upped its sales by 10.6 per cent and its profits by 3.7 per cent only.

Mr. Speaker, it is certainly in the field of dairy products that processors and distributors are least hungry. Figures

prove it. And I know a little about this area for having spent a good part of my life in it.

Further, in the table, it is reported that Canadian Canners Ltd. has boosted its volume of processed products by 9.3 per cent and its profits by 56.1 per cent.

Having said this, Mr. Speaker, I should like to get this straight: I stand among those who believe in private enterprise, because I consider that it is in that area that we can more effectively—

Mr. Benjamin: You cannot have it both ways.

Mr. Lambert (Bellechasse): Mr. Speaker, I would ask the hon. member to let me finish my remarks and he shall see what I am driving at.

It is because this situation is best suited to allow for maximum output. However, I cannot accept that these corporations, on the pretence that the system works well should take advantage of the population and use the resources at their disposal to unduly increase their prices and their profits.

That is why I am against these trusts carrying on with their business without any control imposed on the prices of food.

The Acting Speaker (Mr. Laniel): Order, please. I am sorry to interrupt the hon. member, but the time allocated to him has now expired.

[*English*]

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I welcome the opportunity to make my contribution to the debate this evening because I, as well as many members of this House in all parties, deplore the situation prevalent in our country today in that we are suffering from the worst case of that virulent disease, inflation, in all the history of Canada. This House has seen some strange anomalies, as shown in the speeches just made by the hon. member for Waterloo (Mr. Saltsman) and the hon. member for Kenora-Rainy River (Mr. Reid). As a result, it is only fitting to quote a well known columnist who recently wrote the following:

> The more trouble the government gets in, the more they and the NDP castigate the official opposition.

Mr. Benjamin: That's Charles Lynch.

Mr. Alkenbrack: The government makes the excuse that because inflation is worldwide at this time, they can do nothing about it. This is a fallacy. Everyone knows that in an epidemic of a disease, as is the case with the economic epidemic of inflation, one can protect oneself against its onslaught by adopting habits and policies that work against this enemy of society.

This Liberal government and other Liberal governments for the past seven years have been steady partners and contributors to the grave economic condition in which we now find ourselves. The heavy and unreasonable taxation load placed upon the people by the former minister of finance, Mr. Benson, and now the same policy being applied by the present Minister of Finance (Mr. Turner), has aided and abetted this pernicious case of acute inflation now rampant in our economy. Surely the Prime Minister (Mr. Trudeau) and his cabinet have lived long

enough to recall the case of Germany after the first world war when inflation ruined that country's economy, and the time in the early twenties when a German housewife had to take a suitcase full of money with her to buy a loaf of bread.

The Canadian people are very apprehensive and they are sensitive to the increasing cost of living. I said that the government has been a partner to this for the past seven years. As a result of the many letters I received from my constituents in 1966, I raised this matter on May 27 of that year. Inflationary tendencies were then taking hold in our economy. I remember that the morning after Mr. Benson had moved that approximately $450 million be voted out of the consolidated revenue fund for the government's use, I rose in my place and made a lone protest regarding the rise in the cost of living. It is recorded at page 5609 of *Hansard* of May 27, 1966. Although I do not like to quote myself, I beg leave to put on the record a couple of paragraphs from my speech of seven years ago. I said:

> First of all, Mr. Chairman, each of us in this country is a consumer. Present-day government policy and the consequent high cost of consumer goods is storming the last bastion of individual hope and the individual right to live within one's means. It is now practically impossible for the head of a family, father or mother, individual or married couple, to make their modest salaries support their families from one pay day to the next.
>
> Prices have skyrocketed all along the line in food, rent, clothing, fuel, transportation, medical bills, insurance, taxes and capital cost of housing both new and used. In this rapid and cruel escalation of costs, this government has been a steady partner. Even its policies glaringly point to that fact. It is readily apparent that its policies support the super corporations which profit from and control our buyers' and consumers' economy.

● (2310)

The picture has steadily worsened following what seems now to be that far-off day in May, 1966. What is the case today? Inflation's trot is now a gallop. Two ensuing governments have done nothing, and the latest Statistics Canada figures show what every Canadian already knows, that inflation is getting out of hand. If the government does not do something about it soon, it will get completely out of hand. The cost of living rose by 1.3 per cent in one month, the highest monthly increase since March, 1951. This is damning evidence of the results of the government's do-nothing policy; and I place equal blame on its partner in what I call this clandestine coalition that governs Canada, the New Democratic Party.

Last month food again led the way with an increase of 3.2 per cent, and the increase in bread prices has yet to be felt. Food costs alone have increased 16 per cent over the past year. Housing went up 5 per cent and transportation went up 1.5 per cent. Increases in home heating oil and gasoline played a significant part in the rise in both these items of family expenditure, housing and transportation.

The patchwork of temporary relief measures will have virtually no effect on the increase in the cost of living. The Trudeau government, coalesced with and kept in power by the NDP, is providing no leadership to Canadians in the fight against inflation. The fight that the fathers and mothers of Canadian families are putting up is further impeded by the bank interest rate increase, the fifth increase since April, announced yesterday by the Bank of Canada. And the Trudeau government acquiesces and approves.

I was proud to see my leader bring about and lead this debate today, fighting to provide the kind of leadership that Canada needs by advocating the introduction of a sensible, comprehensive stabilization policy. The question in the minds of the average Canadian family today is: How are we going to bear our load of responsibilities and expense—the federal, provincial and municipal taxes, the cost of food, clothing and housing, and all the necessary expense that goes with making a living to raise and educate a family?

Inflation has also been the ruination of much of our primary industry. Since we are a country of vast natural resources, I say that the government must do something to protect the economy and our primary industries—agriculture, mining, lumbering, the tourist industry and others. The Prime Minister says that he has pegged the price of milk, that is, the retail price of milk through a system of subsidy. But that is only half a measure, because at the same time he should have frozen the price of livestock feed bought by farmers to feed the cows of Canada.

I was proud today to hear my colleague, the hon. member for Kent-Essex (Mr. Danforth), reply to the statement by the Minister of Agriculture (Mr. Whelan) on this matter. The hon. member for Kent-Essex spoke out on behalf of the dairy farmers of Canada. I made a similar protest in this House on June 6 and I quote my protest of that date:

> The price of soybeans and feeds containing this commodity used by farmers for feeding livestock has recently risen faster than the price of gold and beyond any reasonable level. Will the minister please take action to reduce and control the price of this product?

I asked that question of the Minister of Consumer and Corporate Affairs (Mr. Gray). He replied:

> Mr. Speaker, parliament has not given me that authority, but I will be happy to discuss the issue with my colleague, the Minister of Agriculture.

I did not get much of an answer to such a pressing and important question. At the present time, members of the government are only interested in sloughing off their responsibilities so they can concentrate on their annual party convention and conference now being held in this capital. They say they are having a policy workshop.

Mr. Speaker, I had an oral question ready for today but because of this more important question of inflation I did not ask it. I will ask it now of the Prime Minister: Will there not be representation at this policy conference from the other wing of their coalition, namely, the New Democratic Party? Since they are dictating the policy of the government here in the House, they might just as well be down at the Liberal convention contributing further to current chaotic conditions under the new Liberalism.

I ask again: Will the Prime Minister not listen? He is always talking about consensus emanating from changing conditions, to which we should respond. I agree with him on the importance of that. Here I wish to quote the Ottawa *Citizen* of Tuesday, which published the results of a poll taken in a neighbouring constituency to mine. The people of that constituency, like the people of my riding of Frontenac-Lennox and Addington, are people of good judgment; they are cautious and circumspect. Out of 5,425

replies received to the questionnaire, when asked, "Would you accept the imposition of some form of wage and price controls to combat inflation?" they answered as follows: yes, 3,934; no, 496; undecided, 319.

When asked, "Do you favour wage controls?" the replies were: yes, 2,830; no, 1,195; undecided, 473. When asked, "Do you favour a freeze on rent and food prices?" the replies were: yes, 3,697; no, 565; undecided, 240. When asked, "Should pensions be increased to counteract inflation?" the replies were: yes, 4,095; no, 350; undecided, 238.

There were other views sought and given along social lines of crime and capital punishment with which I agree, but I will not raise them here because they are not relevant to this debate. But what better evidence and consensus does the Prime Minister want regarding controls? If he is embarrassed lest he might be accused of theft and plagiarism of Progressive Conservative policies, he need have no qualms since these are the opinions of an honest and impartial cross-section of Canadian public opinion.

We refer to inflation as being the ruination of the economy of many countries. We are currently informed that rampant inflation helped spark the recent sad happenings in the Republic of Chile, and that is true. Today's headlines presage the relentless advance of prices and of all other costs and factors that compose our economy. The Montreal *Star* has a headline, "Increase in prices highest since 1951;" the Ottawa *Journal*, "Living costs zoom—worst in 22 years;" the Ottawa *Citizen*, "Living costs leap—steepest in 22 years;" and *Le Droit*, "Bond prodigieux des aliments". That is why my leader was the prime mover in this debate today. That is why our party said we would stay here and fight the problems besetting the Canadian people, instead of adjourning which I understand was advocated by those on the government benches and by their partners the NDP.

I have one more point of argument to make and it concerns housing. I think I am fairly well qualified to make this point regarding housing and its high cost. I am a lumberman by trade and was in that business for 25 years before being elected to this House. Members of my family are still carrying on in that business.

The exorbitant cost of building has reached the point where people who need housing are unable to finance construction. This afternoon, in trying to answer one of the questions put to him, the Prime Minister said that the greatest factor in the inflationary crisis was supply, and of course he meant the cost and relative plentitude of supply. Using his own agrument, I therefore call upon him to abolish the 11 per cent sales tax on building materials which is creating a major cost in the price of lumber and building materials supply.

● (2320)

Again, Mr. Speaker, I want to point out I protested this on that same day, May 27, 1966 in this House and have done so since, as have many other members on all sides of the House. I say to the Prime Minister that if he will take off the 11 per cent tax on lumber and building supplies at the manufacturers' level, he will be reducing the price of this material by almost 20 per cent of the retail level. Will the Prime Minister not now respond?

[Mr. Alkenbrack.]

Mr. Speaker, as a result of inflation and the high cost of living, the Canadian people are fast losing whatever confidence they may have had in Liberalism and in this Trudeau government so precariously elected last October. I would think that if this government expected to survive much longer, they would heed the opinions of the people and those of a responsible official opposition and do something, even as a parting gesture, to help the economy and the well-being of the people of Canada.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I listened to the debate with great interest this afternoon when government spokesmen, particularly the Minister of Agriculture (Mr. Whelan) and the Minister of Finance (Mr. Turner) attempted to explain the inexplicable actions of this government and to defend the indefensible.

The chickens have come home to roost, Mr. Speaker. We are now witnessing the effects of five years of Trudeau administration, five years of economic bungling and certainly five years of the implementation of ill-conceived agricultural policies which have struck at the heart and soul of our agricultural industry. The implementation of these policies over the past five years has left thousands of farmers in economic ruin. During the last five years the government has stated, even as it does now, that the problems in agriculture are largely of an international nature and they cannot do anything to relieve these conditions. Today we got the same explanation from the Minister of Finance.

The problems of inflation and the economic chaos that exists in this country have been perpetuated by this government and it will not be easy to relieve them. Every day more and more Canadians of every political stripe are becoming convinced that this government cannot and will not reverse the inflationary cycle. Nor will my friends to the left, the New Democratic Party, help the situation by their marriage of convenience. The Liberals are totally preoccupied with their lust for power, and the New Democratic Party is solely preoccupied with its lust for life.

This government must change its attitude or it must be turfed out, Mr. Speaker. These are the options open to this parliament and to the people of Canada. Notwithstanding anything that the New Democratic Party might say, it is as responsible for the chaotic economic conditions that we are now living under as is the Liberal government. Many of their thoughts, ideals and philosophies have been thrust upon this weak-kneed government which has gone along with them simply to cling to power.

An hon. Member: There is not a minister in the House who cares, either.

An hon. Member: There is not one here at all.

Mr. Mazankowski: The result of this alliance, Mr. Speaker, is a government which is on a spending spree unprecedented in our country. This afternoon the Minister of Finance pointed out that the reason for the rising cost of living is a shortage of basic commodities coupled with overwhelming demand. He pointed out, as well, that the main thrust of this government is to increase the supply of those basic commodities.

Perhaps this is a logical statement, but in a country with the agricultural producing potential of Canada surely we could have been insulated from the effects of this so-called international shortage. We have tremendous agricultural productive capacity in this country, but in the past five years there has been a planned and deliberate reduction of agricultural production which is part and parcel of the total philosophy of this government. They embarked upon a deliberate program of destruction of the small family farm; they embarked upon a program which discouraged production, which imposed controls and which left the agricultural economy in a confused and unstable state.

The Minister of Finance said today that this parliament had moved to save the family farm by removing the capital gains tax on interfamily transactions. But who instituted the capital gains tax, Mr. Speaker? Who imposed it upon the farmers of this country in the first place? Which political party in the last election proposed that the capital gains tax on family farm transactions should be abolished? It certainly was not those birds over there. The only reason they removed the capital gains tax on family farm transactions was the political revelation that occurred after the last election. But what have they done to help the small farmer during their tenure of office? We all remember what they did in 1968 when the then minister of agriculture removed the ceiling on the Farm Credit Corporation interest rate which was pegged at 5 per cent. It immediately shot up to 8 per cent and 8¾ per cent.

What have they done to encourage young farmers to engage or remain in agriculture? Their programs have discouraged, rather than encouraged. We hear now that there is to be a conference of the agricultural ministers of all the provinces in order to consider ways and means to encourage production. I submit to you, Mr. Speaker, that had it not been for this Liberal government, with its idiotic agricultural policies, we would not need this conference. Theirs was a policy of destruction; it destroyed the heart and soul of the family farm. They were dedicated to a program of production controls and supply management, and controls upon controls.

We heard the Minister of Agriculture say this afternoon that we are in a period of instability and uncertainty. You bet we are. We have been in that state since the Trudeau administration took office in 1968. From the days when this government instituted its proposals on tax reform there has been instability and uncertainty not only in agriculture but in all industry across the country. There has been instability in agriculture since Lift, Bill C-176 and the stabilization bill were brought forth.

This government is now coming around to realizing the importance of the agricultural industry because food prices have risen very sharply. Where were they when the price of hogs was around $29. What did they do then when farmers went bankrupt because of the low price? They came out a year later with a subsidy on a certain grade of hogs. Where were they when eggs were selling at 12 cents a dozen?

● (2330)

I have before me a grading statement from a farmer who sold 240 dozen eggs to Cal-Ed Poultry Farms Limited. His total receipts were $44.82. He received 12 cents a dozen for grade B eggs. Where were government members when there was talk about increasing and encouraging production? That was the time the government could have moved in with reasonable support programs to keep the farmers in production. Today, production does not exist because, by the deliberate actions and policies of this government, the farmers have been forced off the land.

Where were they when the Canadian Dairy Commission was allowed to discriminate and deliberately take away the quotas from our small dairy farmers? Where are they now? Where were they when we had stockpiles of wheat and it was selling at 90 cents a bushel? What was the government doing then? It was not doing anything. The last report of the Canadian Wheat Board will indicate that farmers realized the lowest price in 12 years for the grain they sold. It was something like $1.59 a bushel. We all know the government is trying to impose a freeze on agricultural products that are being sold. They have manipulated the domestic price of wheat.

An hon. Member: You asked for a freeze.

Mr. Mazankowski: We asked for a complete freeze, right across the board. You are embarking on a program of selective controls aimed at the defenceless farmer. You are imposing a freeze on the domestic price of wheat. You have manipulated the beef and hog industry by your silly export restrictions.

Mr. Speaker: Order, please. The hon. member has about two minutes left. He should use this time to address the Chair.

Mr. Mazankowski: Thank you, Mr. Speaker. I wish to refer to a statement made today by the Minister of Agriculture (Mr. Whelan) in which he slammed the professors and economists of this country. Where was the Minister of Agriculture when his government was adopting the policies of the task force report on agriculture which was written by no less than five professors and economists, none of whom was a farmer, and which forms the Liberal bible on agricultural policy? This minister has taken a lot of credit for the increase in price of agricultural products. However, he should not be too glowing about the way his predecessor, who was defeated by the hon. member for Medicine Hat (Mr. Hargrave), took the heart and soul out of the farmer in all parts of this country. The minister should be grateful to the Conservative party because if it were not for this party, he would not be occupying that position today.

Inflation is one of the major issues threatening our economic and social fabric. Inflation has eroded our dollar by more than one third since 1961. We must consider the fact that the chairman of the Economic Council of Canada has suggested we will probably be going through a period when inflation will be of the order of 5 to 6 per cent. This means the dollar will be worth something in the area of 75 cents; in 5 years, 56 cents; in 10 years, 42 cents and in 15 years, 31 cents. This is a terrorizing thought. What does this government intend to do about it?

This government has suggested that one of its major priorities is the pursuit of reasonable price stability. We must question the sincerity of that statement because this

government and this Minister of Finance (Mr. Turner) to date have done nothing to mitigate the inflationary spiral.

Some hon. Members: Hear, hear!

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I am pleased to take part in this debate because a number of my good friends and colleagues in all parties have been anxiously waiting for me to speak.

Some hon. Members: Hear, hear!

Mr. Benjamin: I have sat in this chamber most days since January 4. I have heard the Leader of the Opposition (Mr. Stanfield) and a number of his colleagues recite on numerous occasions the requirement for a 90-day freeze on wages and prices *ad nauseam.* When I first began to be active in politics, these were the people who said it would be terrible to have a socialist, NDP or CCF government because they would be in favour of state control. The people who led in those kinds of arguments were many of my friends in my province, members and supporters of the Conservative party. I find that particularly ironic in this day and age. They were the ones who held up their hands in horror at the very thought of controls on prices, profits and wages. What is equally ironic, and I admit this quite readily, is that some years ago I also thought that was some kind of solution.

Having read and heard of the bitter experience of parties of all political stripes, from communist to fascist, free enterprise to democratic socialist, every one you can imagine in all parts of this globe, I find it ironic when listening to the Leader of the Opposition and his colleagues who have been talking about controls since January 4. I intend to send to the office of the Leader of the Opposition pages from issues of a very radical publication over a period of some eight weeks this past summer. I am being facetious when I say it is radical. For many years, this magazine has been a supporter of, in the best sense of the word, "free enterprise and the capital system". It is a supporter of conservatives in North America, a supporter of the republican party and President Nixon. Tomorrow or Monday I will send to the Leader of the Opposition all the Xerox copies I have of what this radical publication called *Time* magazine says about 90-day freezes, price controls and phases one, two, three and four implemented by a republican conservative government headed by Richard Nixon. This magazine is noted for its refusal to recognize any kind of operation other than that endorsed by conservatives, small and large "c", both north and south of the 49th parallel for the past several decades.

I heard the hon. member for Calgary North (Mr. Woolliams) say to members opposite, "For God's sake, go." I will buy that, provided you go with them.

● (2340)

An hon. Member: Let's all go.

Mr. Benjamin: I heard the Leader of the Opposition say it was time to remove this government from office.

Some hon. Members: Amen!

[Mr. Mazankowski.]

Mr. Benjamin: I will say not only "amen" but "hallelujah, brother!"

Mr. Baker: I had a tom cat who was as consistent as you.

Mr. Benjamin: I have been working against the Grits for almost as many years as all those fellows opposite me are younger than I am. I can say "hallelujah", except when I look to my right and see the Leader of the Opposition presenting himself to me as an alternative. When he talks about a 90-day freeze and about controls, he also says he intends to perpetuate the present economic system. For an ordinary stubble-jumper like me it is an awful choice to have to make. It is not really a choice. To choose between the Grits over there and these Tories over here is enough to give a coyote the heartburn. I am trying to put this in as polite language as I can.

Mr. Mazankowski: Think of the coyotes.

Mr. Benjamin: I say that because I am in full sympathy with the coyotes when it comes to considering these alternatives.

Mr. Kempling: They voted for you last time.

Mr. Benjamin: I have coyotes in my constituency who are far smarter than Grits or Tories.

An hon. Member: Or you.

Mr. Benjamin: The Leader of the Opposition and his colleagues have talked about controls and a 90-day freeze. If they would like to entice me, and possibly my hon. friends, to support their position they might elucidate precisely what they mean by freezes and controls. Earlier today the hon. member for Don Valley (Mr. Gillies) made a slip of the tongue and spoke of wage and price controls. I should like to ask him and others in the official opposition: On what wages, and why wages?

Mr. Paproski: That is about the dumbest thing you have said yet.

Mr. Benjamin: Would they also tell me what farmers are to be subject to controls, and why farmers? I will appreciate it if the hon. member for Crowfoot (Mr. Horner) would explain this to me satisfactorily.

Mr. Horner (Crowfoot): I sure will.

Mr. Knowles (Winnipeg North Centre): He was not going to speak.

An hon. Member: He is talking but he is not saying anything.

Mr. Benjamin: We have experienced controls and wage freezes before, during wartime, and under the price and wage board in 1941 or 1942. We can learn from the experience of governments in other countries, too. On every occasion when this kind of economic procedure has been followed, the first people to get kicked in the face were the farmers and wage-earners. If the Leader of the Opposition would provide the House with a specific commitment that his version of controls and freezes means he would start at the top and work down, he would get my support.

Mr. Nowlan: That is worthy of Kreskin. Show some humility.

Mr. Benjamin: I say this with a reasonable degree of safety because I am a most cautious fellow.

An hon. Member: We don't want you at any price.

Mr. Benjamin: But I would find the bed about equally uncomfortable if I had to get into bed with either one of those two parties. If the official opposition would, first of all, drop the word "wage" from the phrase "price and wage policy" and substitute therefore the word "incomes", and, second, if they would undertake that the profits of financial institutions and corporations, and the incomes of professional people, including members of parliament—

Mr. Hurlburt: Lawyers and undertakers.

Mr. Andre: Preachers, too.

Mr. Benjamin: —and if they will specify that the people who are the first victims of inflation—and as far as I am concerned they are persons earning less than $10,000 a year—will not be subject to compulsion, I might be prepared to get rid of "them" in favour of "those".

Mr. Saltsman: This is degenerating into a debate.

Mr. Benjamin: I feel reasonably sure that no Tory will offer any such thing, because the difference between the two parties when it comes down to the crunch is nil.

Mr. Paproski: You simply don't understand us, Ben.

Mr. Benjamin: The hon. member for Calgary North (Mr. Woolliams) talked about lowering interest rates and removing the tax on building materials. I have heard Tories talk *ad nauseam* for the last five years—in fact, I have heard members of my own party talk *ad nauseam* about the removal of sales tax from building materials. I have yet to hear a single member of the official opposition say that the sales tax on building materials should be removed only if and when the advantage was passed on to the consumer. That is the essential difference.

I recall the years when the CCF and, later, the NDP were clamouring, together with the Tories, for the removal of the sales tax from drugs. Finally, the Liberal government did remove it. But no reduction in the price of drugs to the consumer followed: the benefit of the removal of that 11 per cent tax went to increase the profits of the drug manufacturing companies. And there was not a word of complaint from the Tories. So, again, if the official opposition would take the stand that the removal of the sales tax from building materials should not serve to profit the manufacturers and builders of houses, I will believe what they say.

The Minister of Agriculture (Mr. Whelan) spoke today. I hoped he would give us some idea of what the policy being followed by the minister in charge of the Wheat Board really meant. Instead, he gave us a lecture about not wasting food. He was critical of professors, and I agree with that. I hope he agrees that the number one professor in this House is the Minister in charge of the Wheat Board. Then, we might add the hon. member for Don Valley (Mr. Gillies) and the hon. member for Oshawa-Whitby (Mr. Broadbent).

● (2350)

An hon. Member: You must be kidding.

Mr. Benjamin: I am only two-thirds kidding. I did not mean that about the hon. member for Oshawa-Whitby because he is a half-decent fellow.

The Minister of Agriculture talked about his expert friends who are professors and economists putting half the farmers on welfare. As the hon. member for Vegreville (Mr. Mazankowski) quite rightly pointed out, it was five experts, economists with the task force on agriculture, none of whom had grown a bushel of wheat in his life, who recommended that at least one-third of the farmers of this country had to go.

I wish the Minister of Agriculture had told us more about his feed grains policy, particularly since he comes from Ontario. I would have appreciated his explanation of how the western feed grain producers would be happy to help out eastern livestock feeders to the tune of a buck a bushel. These are people who talk of national unity yet continue to impose policies that divide the people of this country. The Minister of Agriculture should not have risen this afternoon. If he had to rise, then all he should have said was: "Mr. Kierans, where are you now that we need you?" I hope that as this session progresses all parties in this House will agree that we must strengthen the Prices Review Board to include all commodities, and that we will give the board power to investigate and to roll back unjustified price increases.

Mr. Speaker: Order, please. The hon. member's time has expired.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, much has been said and many good speeches have been made. There appears to be an agreement on the part of the Liberal party and New Democratic Party to attack us in this debate since they are fearful of the approach of the Conservative party which may have the answer, or part of the answer, to the inflation that has been confronting Canada.

People have been wondering how long this supposed marriage is going to continue. They should read about federalism in Canada as written by the Prime Minister (Mr. Trudeau), before he was Prime Minister and when he was a socialist, as he is today. He is quite happy with the marriage and has no trouble with the NDP as bed partners. As someone said in this House earlier, there are no cabinet ministers in the House. Certainly, there are; the hon. member for Winnipeg North Centre (Mr. Knowles) is here.

Some hon. Members: Hear, hear!

Mr. Horner (Crowfoot): He is head of treasury board and deputy House leader—

Mr. Speaker: Order, please. The hon. member for Waterloo-Cambridge is rising on a point of order.

Mr. Saltsman: Mr. Speaker, I must rise to protest. If the hon. member for Crowfoot is determined to have his say,

then surely the hon. member for Winnipeg North Centre at least deserves to be prime minister.

Mr. Horner (Crowfoot): One thing I have not noticed in the hon. member for Winnipeg North Centre is his desire to be prime minister. Certainly, he desires to be House leader, head of treasury board and to hold a number of other offical positions, which he occupies rather well from his present seat in the House. So the marriage is accepted. The two parties have joined together in this debate to attack the Conservative party position, which as I have said is not an absolute answer. Inflation is very difficut to cure, particularly when a country is gripped by fear as this country is today. We have a psychological belief that inflation is here to stay and will continue.

If you talk to any housebuilder, farmer, person who lends money or worker, they will say they have to have more money because inflation is here to stay and prices will continue to go up and up. I suppose to some extent the Minister of Finance (Mr. Turner) deliberately printed money and caused a great increase in the money supply because he wanted the country to have a feeling of ebullience so that people would be happy and contented. He wanted good times for the people in preparation for an election so perhaps his party would be returned with a bigger majority than ever.

However, this ebullience has got out of hand and has led to a psychological fear about inflation. The Conservatives have put forward a policy, and it is being attacked because it is right. The hon. member for Vegreville (Mr. Mazankowski) has dealt with agriculture and with the philosophy of the Liberals over the past few years, which was completely wrong. He has quoted from the task force report on agriculture and quoted the most important part of the report spelling out the agricultural policy. This report has been commonly referred to as the bible of the Liberal party.

Prior to the last election the former minister of agriculture, when campaigning in Peace River, shuddered and shook and said that the one great mistake he had made as minister of agriculture was that he did not see the folly of the task force report on agriculture and did not condemn it but accepted it. He said that was his biggest mistake, but he was too late. The Minister of Finance has suddenly realized that the Conservative party has some good policies and those he has accepted. But I fear he will recognize the remaining ones too late.

What does the task force report on agriculture say? The recommendations commence at page 431, and on the next page appears the following:

> The main principles of our recommendations, spelled out in detail in later chapters, are as follows:
>
> 1. The surpluses must be controlled and reduced to manageable proportions by reducing production drastically, if necessary.

We know what the minister in charge of the Wheat Board did. He dumped barley on the market at 48 or 50 cents a bushel and sold it to Japan and to everybody else. He got it out of the country at a low, giveaway price and then tried to boast during the last election campaign that he had moved all that grain and should be re-elected. He then came back to Ottawa and wondered why more prairie members of the Liberal party were not returned. Anyone can give away wheat, but he had become obsessed with this idea in the Liberal bible that we must control and reduce surpluses by reducing production.

The fourth recommendation is this:

> Younger non-viable farmers should be moved out of farming through temporary programs of welfare, education and provision of jobs in other sectors of the economy. Older farmers should be given assistance to ensure that they have at least a "livable" standard of living.

That was the design, and now they wonder why there is a scarcity of food and why we have inflation. As many people have said, inflation comes about from too much money chasing too few goods. One other reason inflation comes about—and the government has done a great job promoting it—is that we get less work done for the same amount of money. In other words, they have destroyed the work ethic in society today. Can you find a better example of the destruction of the work ethic than the sentence I have just read, that:

● (Midnight)

> Younger non-viable farmers should be moved out of farming through temporary programs of welfare, education and provision of jobs in other sectors of the economy.

In other words: We will give them money. We won't encourage them to do anything useful or productive. We will sit them on pedestals somewhere, and somehow or another we will eventually try to work them into society.

I suggest that excessive waste will always contribute to inflation. One has only to look at the expenditures of this government for 1967-68 when budgetary estimates were $9.9 billion. Some five years later this had doubled to $18.3 billion, and the true expenditures for that year amounted to $19.2 billion. Certainly one can see a too rapid growth in federal government expenditure. We have too many bureaucrats and this increases the costs of production. This is the expenditure of only one government, and we have ten others in this country all of which contribute to the overhead which in turn contributes to the increased cost of goods and production. This government wonders why we have inflation today. I suggest the government is the designer of today's inflation.

On July 19 the minister announced government assistance in respect of the price of bread. He admitted that bread would go up in price, but somehow or another he did not think it would go up as much as it did. He should have known that a 15 per cent increase in the price of wheat would cause the price of a loaf of bread to be increased by at least one cent. Since that time wheat has gone up approximately 77 cents a bushel and we have seen a six-cent per loaf increase in the price of bread to the consumer. The Minister of Agriculture can go on television and suggest there are rip-offs and gouges in our society; it is very easy to say that but very hard to substantiate it.

The NDP are always advocating some kind of control on production. That has been their theme for years. They suggest the Conservatives want wage and price controls but never mention profit controls. It is pretty difficult to have profit controls, because in order to have them you must have volume controls. I suppose they would like volume controls as well, because they too would limit

production. With the profit and volume controls suggested by the NDP we would wake up one day and find an even more accelerated inflation spiral.

Let me refer to agricultural production, especially to the fifth report of the Economic council of Canada in which it dealt at length with this matter. It pointed out quite clearly that in respect of research and financing, the Canadian farmer was undercapitalized in comparison with the U.S. farmer. The report suggests that the Canadian farmer has never had the necessary scientific tools working for him and that he has not had enough capital to allow him to successfully compete with his counterpart to the south. That report came out in 1969. What has this government done since that time? I suggest it has drastically reduced financing in agriculture.

Since 1969 this government has been obsessed with the idea that the number of farmers must be reduced, preferably those with small operations. Now we hear the minister in charge of the Canadian Wheat Board (Mr. Lang) suggesting that we must have a feed grain storage bank. What did we have when our elevators were full of barley? I suggest we then had a feed grain storage bank. But the minister dumped this grain on the world market at 48 cents to 50 cents a bushel. We took a loss and allowed the grain buyers in Italy to resell our barley, making 50 cents a bushel on it. In any event, this grain was out of our bins and off the minister's mind—out of sight, out of mind.

We have seen in the past year our cost of living climb by about 8.3 per cent and we have seen food prices increase by over 12 per cent. What did the minister do in his budget to counteract this situation? He very generously reduced the tariffs on fruits and vegetables. On August 13 this government put an embargo on the export of cattle, thinking this would somehow appease the consumer and bring about a reduction in the price by keeping more beef at home. I suggest this control was effective to the extent of perhaps 1 per cent on the shipment of beef. It had a drastic effect on the price of beef as compared to the advantages that were gained.

An hon. Member: Are you for a freeze on the price of food?

Mr. Horner (Crowfoot): I am not for a freeze on the price of food, and I do not think the Conservative party is in favour of such a freeze. My feeling in respect of food production is that me must give the farmer more capital and more scientific tools in order that he can produce more efficiently, thereby keeping up to production demands in this country and the demands of other countries to which we sell goods.

An hon. Member: Is that what your leader is suggesting?

Mr. Horner (Crowfoot): I firmly believe that is what my leader is suggesting. In this country we have allowed ourselves to adopt three policies. The first was the Lift program to get rid of production and surpluses. The second was the concept that wherever possible we should have cheap food, and on many occasions it has been said that we should have a cheap food policy. Now, when food prices are up, we find that the consumers are not happy and the government has to bring in some kind of subsidy.

Cost of Living

I suggest that in the past month three ministers of this government have contributed to increased food prices. The Minister of Finance has adopted policies which have resulted in an increase in the price of bread. The adjustment in respect of the cost of milk announced by the Minister of Agriculture has resulted in increased milk prices. Today the minister brought in a measure to subsidize the price of milk to the extent of five cents a quart in one province of Canada. I ask why this should apply to only one province, because the price of milk has gone up in other provinces as well.

The Minister of Finance had done nothing to curtail or manage the supply of money in Canada. He and the President of the Treasury Board (Mr. Drury) have done nothing to control the expenditures of this government. They believe they must divide up the pie and keep doling it out. They believe in increasing the size of government, and somehow or another things will work out. This government thinks that the inflationary spiral we are experiencing is a world condition. If that is so, why is our inflation higher than the inflation of other countries? The United States has a lower rate of inflation this year than ours, and the Japanese, one of our major traders, also has a lower rate of inflation.

Certainly there are and have been shortages of food in some countries, but we in Canada are not in any way in the grip of a food shortage. We may have some difficulties in respect of distribution of food, brought about partially by the rail dispute and partially—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but his allotted time has expired. However, he may continue with unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

● (0010)

Mr. J.-J. Blais (Nipissing): Mr. Speaker, I had not planned to participate in this glorious debate.

An hon. Member: Then sit down.

Mr. Blais: As you may recognize, as a new member, I am rather intimidated to join the battle in this honourable chamber, but in view of the drivel to which I have listened from members on the other side I felt that intimidation lift suddenly. I felt that nothing I could do at my worst could fail to make any contribution from the other side seem less.

I should like simply to mention that one point made by the hon. member for Crowfoot (Mr. Horner) needs immediate rebuttal. He said that the province of Quebec was the only province which has benefited from the federal largesse in the matter of the milk subsidy. He failed to point out that the same largesse is available to all other provinces, and that it is up to the provinces to use their initiative to enter into agreements which will make the subsidies available. Perhaps my friends on the other side, both NDP and Conservative, should advise their friends in the provincial governments of the fact that the money is available. I am not an economist.

Some hon. Members: Hear, hear!

Mr. Blais: I do not pretend to be an economist. I should like to indicate that most of the people I represent are not economists and therefore need some enlightenment concerning what the position is. I might indicate that that enlightenment is not coming from the opposition benches. One has only to recognize that economics is a great, complex science. Although it includes a very pure science, namely mathematics, it also includes the human element. Judging from the rowdiness and the gargantuan proportions of the "monkey-business" being performed by the members of the opposition benches, it would appear that economics is a very wonderful science indeed, for one can never tell what folly next shall befall humanity. There is some silence at the other end. I suppose they are waiting for another gem. We are dealing with the human element and the human psychology. The Liberal government has recognized that it must tread a very fine course. We must maintain an equilibrium and really walk on a tightrope.

An hon. Member: You sure do.

Mr. Blais: That has been recognized because the maintenance of economic equilibrium is a very difficult feat. I avoided the depression. I was lucky. I was born after the depression. I see some older gentlemen on the other side who have lived through it. Surely, they ought to know that the economy of Canada has been a sequence of booms and busts. They also must recognize that the causes of these booms and busts have not been determined. Surely, we would have avoided them had we known the exact causes. It has been recognized that the particular economic condition we face now is a completely novel situation. The face of the earth on which we live is changing with the increase in the facility of communication and therefore the whole phenomena is a brand new one. Surely, we will not attempt to use time-worn measures by which we might become involved in a situation which could result in considerable difficulty. I would suggest that if we are to adopt or espouse radical measures we might very well aggravate the problem rather than lessen it. Therefore, the government has learned from past experience. It has carefully reviewed the measures taken last year. It has adopted a course which seems to be the reasonable one, notwithstanding the views of gentlemen on the other side.

An hon. Member: And you are no economist.

Mr. Blais: Mr. Speaker, it has been indicated that this course is not popular because, indeed, there is a cry for wage and price controls which has been fanned I might indicate by statements made by my friends opposite. There has been a fanning of this panic which is developing in the country. It would be very possible for the Liberal government to adopt wage and price controls, but this would be fatal. I suggest it would be fatal because this is a very radical measure; there is no doubt about that. It would hurt the economy and hurt directly the principle the Conservative party has always espoused.

An hon. Member: You worry about your own principles.

Mr. Blais: I have sincere principles, which is much more than I can say for members on the opposite side. Mr. Speaker, I receive letters and phone calls from thinking Conservatives and, thank God, there are still some left in this world. They remind me in my riding that they will no longer support the Conservatives because the Tory party has abandoned its principles. The Tory party has entrenched in the constitution of Canada property and civil rights. It has entrenched in the constitution of Canada the doctrine of laissez-faire, Adam Smith, and the whole kit and kaboodle. These are the principles they have always spoken of and, in the same breath, after they have spoken for generations about free enterprise, they turn around and espouse those policies which are the most radical and the most control-oriented of all policies which might be devised. Those are the people—

Mr. Deputy Speaker: Order, please. The hon. member obviously is enjoying himself, but I think perhaps from the standpoint of completing the record of the House through *Hansard* some of the excitement might go down about ten decibels.

Mr. Blais: Mr. Speaker, I was just suggesting to gentlemen on the other side that they may be laughing now, but they might have some second thoughts. A considerable number of comments have been made lately concerning the fact that according to the public polls, the Conservative Party has reached the lowest point it has reached in many years. They may wonder why they are being criticized by the other parties in this House. I would point out to them that the reason they are criticized is that their views are shallow, devoid of worth and I suggest will bring their downfall.

An hon. Member: Go to the country.

Mr. Blais: On that point, let us go to the country. May I say that is what the gentlemen opposite have been advocating. They ask that practical measures be taken by this government and in the same breath say, "Let us have an election and let this country have no government for 60 days".

● (0020)

Some hon. Members: Oh, oh!

Mr. Blais: First they say, "Let us have a freeze for 90 days." Then in the same breath they say, "Let us have no government for 60 days". That is Tory logic. I suggest they should think more, and review the position they have taken; then perhaps they will survive the next election.

Mr. Don Blenkarn (Peel South): Mr. Speaker, I was very amused by the speech of the hon. member for Nipissing (Mr. Blais). I remind him that it was this party which suggested the indexing of personal income tax. We were laughed at, but it was accepted. And it was this party which suggested limiting corporate tax reductions for one year. It was laughed at, but the suggestion was accepted. It was this party which for a long time advocated tying pensions to the cost of living, and we have just accepted that. I hope the hon. member does not get himself into a fixed position, because pretty soon we will have an incomes policy in this country and he will have to explain to his constituents, whom he has mentioned, why it could not happen today but it will happen tomorrow for pretty darn sure.

This evening we had a fairly good explanation of the incomes policy from the hon. member for Regina-Lake Centre (Mr. Benjamin). I want to impress upon him that that policy is designed to make sure that big business, big government and big labour keep their demands within the limits of productivity.

Mr. Gilbert: Is that your policy?

Mr. Blenkarn: Before I go on to discuss an incomes policy, may I point out that this debate has a great deal to do with interest rates, with the cost of money and with monetary policies and I want to make two or three observations with respect to monetary policy which I think need to be made. Over the past three years the money supply in this country has increased at an unbelievable rate. Just last spring the government, rather than refinance its loans in the conventional way had the Bank of Canada print the whole amount. The money supply in one day was increased by $500 million.

The Americans had some financial problems with their trade and their dollar on world markets has slipped this year, on an exchange rate basis, by some 30 per cent; and so has our dollar. That is not so bad so far as the U.S.A. is concerned, because they rely on foreign trade only to the extent of about 4 per cent. But this country is a world supplier of basic commodities. This country supplies to the world 90 per cent of the grain that it grows. This country has the ability to export, and does export, a great number of primary products such as lumber, fish, wheat and oil. These are international products.

It has been said by this government that because international prices are rising, we in Canada must pay more and the government can do nothing about it. But what has really happened? We have $6 wheat, but we have had a 30 per cent devaluation of our currency so our farmers are not getting $6 for their wheat; they are getting $4.20 in relation to German marks and Japanese yen.

That kind of thing is affecting very seriously the cost of living in Canada. The debauching and the pollution of our money supply has been one of the key causes of the inflation cycle in this country, in particular with reference to those products that are determined in price on the international market. It is about time we had a monetary policy explained to this country, one that set out the growth limits of money supply so that to some extent the money supply would bear some relation to the increase in the gross national product and is not increased willy-nilly to meet government expenses.

I want to go on to another matter that I think is perhaps more important, namely, the matter of analysing the kind of inflation with which we seem to be faced today. One of the things that concerns us especially with respect to the price of bread, the price of steel, the price of oil, lumber, etc.—these being commodity prices—is the fact that there is a huge world demand.

The hon. member for Crowfoot (Mr. Horner) spoke about the problems of agriculture and said that we have not done anything to encourage production. For a long time our party has had pretty solid policy objectives in connection with the production of basic commodities. For a long time we have had an incentive policy and we have talked about an incentive society. We have said; "Look, you have to give the producers tax breaks and some encouragement to produce". How could you ever start a farm today at an interest rate of 9 per cent, 10 per cent or 11 per cent and hope to produce beef economically? Indeed, if you had the money to buy a place and get organized, you would probably lend it out at a mortgage rate of 10½ per cent, 11 per cent or 12 per cent.

This government gives no encouragement to our producers of basic products. Is it any encouragement to say to oil producers, "I am sorry, your price is frozen but your costs are not frozen"? Is it any encouragement to say to our oil producers, "I am sorry, but you cannot export and we will not help you produce or discover any more oil"? That is the attitude of this government. They are unwilling to supply real incentives to producers. What they are saying is that they will subsidize consumption. This afternoon we heard that the consumption of milk will be subsidized at 5 cents a quart. They hope to keep the price down in this way, but they will not do a darn thing for the feed costs of the farmer, nor a darn thing about increasing the supply of milk in general or making it cheaper to produce. All they can do is give a consumer subsidy.

What I will say now I think should be on the record, and I think it is only fair to say it. This is a debate that you, Mr. Speaker, have allowed tonight on a matter of serious national urgency. For at least an hour and a half to two hours tonight not a single member of the cabinet, the advisers to Her Majesty's representative, has been present in the House. This demonstrates how much the government is concerned about this issue. It does not give a darn about inflation, high interest rates and the ordinary Canadian. Perhaps this government should get out of the House permanently and onto the streets and knock on the doors, when the people of Canada would tell them what they think of them. Members of this government cannot be bothered to participate in the debates of this House; they would rather be somewhere else. Maybe they are lapping up some gin somewhere.

An hon. Member: The fleshpots of Ottawa.

Mr. Blenkarn: I should like to go on to another question which goes beyond the matter of incentives to production, and say a few words on what is called the problem of cost-push inflation. It is at this point that we in this party have suggested that we have a total incomes policy, and people have been misled into saying, "You are going to have a 90-day freeze." If you are to have an incomes policy that will be a start. That incomes policy has to be one that ties the costs of labour, of profits and wages to the productivity of society because, Mr. Speaker, you and I know we cannot spend more than we earn, unless we borrow from a bank and in that case eventually we have to pay the piper.

● (0030)

That is what has been happening in this country. We have been spending more than we create, and we try to validate our expense by printing more money and fooling ourselves. This attitude has to stop right now. We must get an incomes policy which makes sure there is enough credit to carry on the expansion of the country, but not enough credit to pollute and destroy currency values and the savings of Canadians. When we look at the inflation rate

and ask investors what kind of return do they need to break even, they may say that, based on a rate of 8.3 per cent, they may have enough a year from now to break even. But to get that they have to invest money at 13 per cent or 14 per cent, pay income tax on their return, and then maybe they will break even. That is the kind of society in which we live.

We must have a government that is prepared to look the problem squarely in the eye, that is prepared to say, "You cannot eat more than you produce. You cannot get paid more than you create." Price rises, income rises and wage rises must be tied to national productivity. That is what an incomes policy is all about.

Finally, I wish to say a few things about the cost of government. Just look at this Blue Book and the pamphlet, "Where Does Your Dollar Go?" There is a lovely little chart in it. But you see that chart going straight up every year since the government took power. The government has doubled national expenditure, from $6 billion to $20 billion in a little over a decade. Has national productivity increased that much? Has the population increased that much? No, Mr. Speaker, but the cost of government has, and we cannot ask business to reduce its profits, we cannot ask the store manager not to raise the price of bacon, while the government of Canada increases its take from national productivity by great amounts every year.

It is about time we had a new government in this country. It has been suggested that we have an election. But, Mr. Speaker, look at the fellows on the backbenches opposite. They are not bad fellows. It is just their leadership that is bad. I say we could do something for Canada. We could build Canada. We could develop an incomes policy. We could encourage production. We could cut the cost of government and make a better Canada. If you fellows want to join us, come on over here and put your leaders out because they really don't care.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I am aware that some members have more patience than others.

As usual, Mr. Speaker, I wish to contribute to that quite special debate on a motion to discuss uncontrolled inflationary pressures. Certainly, I do not hesitate to take part in this discussion since this is an issue which is of interest to the entire Canadian population.

Still, I regret that in this debate, there are hon. members from all sides of this House who try to prove that the government or some other party could be more competent than the others. I am hoping, as I have always been that Parliament will be most unbiased if we are to adequately serve the community.

● (0040)

We have heard all sorts of comments during this debate. Some members have called for elections and it would perhaps be unfortunate for them if such elections were held. But I think, just the same, that Canadians are very much concerned about price increases, and I believe that it is on that point that we must above all try and discuss in a very objective manner.

The opposition is adamant and I think that they have the right and even the obligation to be. To suggest that this government has well managed the business of this nation during the past six years would be to consider the situation with one's eyes closed. To say that this government has made no efforts whatsoever would be just as unfair. I believe, however, that Parliament as a whole must operate objectively if we are to lead the government into approving certain proposals, because members of the opposition, to whatever party they belong, do come up now and then with some excellent suggestions. It is also obvious that the government has not found the solutions to all our problems.

It is unfair to say that any party or any group of hon. members are less concerned than others with enhancing the well-being of this nation. At least, I do hope that hon. members are all anxious to serve better and find solutions.

We must indeed be realistic enough to admit that these problems do exist and that the kind of inflation which we are experiencing nowadays is very annoying to the Canadian public. Our people are worried, with good reason; tonight, like all other hon. members, I had a number of telephone conversations with people from my riding who were already aware that we were having a debate that would probably extend late in the night. I was asked squarely whether Parliament will announce anything that will be an encouragement to them. Will Parliament finally make up their minds or find a means to stop this price escalation which has become a major problem in Canada?

Such is the role of the true legislator and I appeal to the objectivity of all the hon. members. Of course, Mr. Speaker, I am in the best position to do so because I do not necessarily have to worry about any potential election. But I have a duty to perform during my mandate and it behoves me, in the first instance, to appeal to that objectivity, because people often lose confidence in the attitude of some parties or some hon. members, because the interests or the profitability of a political party have often seemed to override the interests of the community. To my mind, the people are right in being concerned about that. It is one reason why people have less confidence in Parliament. By his attitude, every member can win back the confidence of the people and prove that parliament is seriously working on devising solutions.

Of course, this afternoon, the Minister of Agriculture (Mr. Whelan) announced a measure which seems to be a true control on products. It will be difficult for the producers who will be imposed price controls and who will have no assurance of possible increases in production costs. In my opinion, the government should seriously think it over when it comes to imposing controls on given products.

I take this opportunity because the government seems to think it has found a solution as regards the dairy products, thanks to an agreement with the province of Quebec. I welcome, of course, the fact that the government has reached an agreement with Quebec in this connection; the minister stated that further steps will be taken to enter into further agreements with the other provinces, but I am quite concerned about the producers because as recently as tonight, I again heard a comment by a producer from my constituency who is quite worried about increasing production costs. Therefore, how is it possible to freeze a

product without the assurance that the producer will still be able to make a reasonable profit? If production costs keep increasing, there will be no way of adopting the measure announced by the minister.

Therefore, since there is a control on sales prices it is urgent, mainly for the producer—and this will involve all kinds of production—that the government take immediate action to enable the producer to make reasonable profits.

I know that the Progressive Conservative party is often bringing us back to a policy of a price freeze of 90 days. I would have reason to believe, Mr. Speaker, that this 90-day period, ordered in the United States, did not have any extraordinary or very profitable effects.

On the other hand, it is clear that people are waiting for a positive reaction on the part of the government. It is obvious that Parliament will have to find a solution, consideration being taken of the concern and difficulties this is causing. To what extent will the government be able to consider ordering a price freeze without necessarily having to set limits because the U.S. experience has made us understand that some producers were storing goods or delaying the shipment of their herds to slaughter houses and that after 90 days they could make even bigger profits?

I therefore wonder if the government might not consider imposing simply a price freeze without necessarily setting time limits, but deciding that it will end the freeze whenever it may judge it necessary and appropriate.

Now, can we consider a price freeze, especially a long one, without necessarily freezing wages? I should say right now that I will oppose any general wage freeze. In view of the cost of living, can we consider today freezing the minimum wages for instance as easily as we would freeze the wages of the professional classes? Therefore I believe that we should establish some standards to impose a fixed hourly rate. Would it be fair for example to freeze some hourly wages at $7 and at the same time freeze the minimum wages at $1.75 or $1.90 an hour? We must therefore establish standards and decide that a general wage freeze is impossible; personally, I would object to it. But we are perfectly aware that, in the long term, you cannot have one without the other. I believe the government should apply itself more to the analysis and consideration of this possibility.

But one thing is certain, Mr. Speaker, as long as the government refuses to stop price increases, we will see prices rise every day. Recently, the government announced some steps to refrain these increases, but it is clear they are political measures set up from day to day. Far from me to blame the government for announcing these measures last week. Of course, they were necessary, warranted, but there again, nothing assures us that we will not see more price rises and will the government be compelled day after day or week after week to introduce new measures to ward off these new increases?

Therefore, if the government thought that the legislation announced would be adequate for the next 12 months, or the next five or six years, I think it is making a big mistake. That legislation is acceptable considering the needs, but it is inadequate as a guarantee.

That is why I believe the debate we are having tonight should enlighten us and prompt the government to take a very concrete measure. Would it be so embarrassing to accept a valuable proposal from the opposition? The system under which we live disappoints me to a certain extent. It is by tradition, of course, Mr. Speaker, and that is how the people are often disappointed. By tradition, the government should not accept, at least not readily, a proposal from the opposition and by tradition, the opposition must always blame the government, even if the government is right. Therefore, with such a practice or such traditions, we finally lose the confidence of the people and make the people pay for a system that will not change, that members of this House refuse to change.

Therefore, it is imperative that this government receive, accept and consider a proposal that would be fair and that would be a solution to the problems we face at the present time, and it is as important for opposition members to support the government and to force it to act quickly when it is right and when it solves a problem or a difficulty. Therefore, one must of course show some objectivity and lay aside a partisanship which definitely harms the people and for which people must pay. Personally, Mr. Speaker, I don't give a hoot whether a Liberal or a Progressive Conservative government is at the head of this country; what is important is that the people obtain solutions to their problems, and it is up to Parliament, up to each member to see to it.

I am repeating opinions that I have already expressed in this House and that is the way I think I should continue to perform in the sense that I seek above all the better being of each individual in this country. And in order to do that, I must not ask myself if I should favour one party rather than another; I must look for the better legislation and support it; that is the role of every member of Parliament.

And to the extent that we try and pass the legislation most likely to serve the interests of a society, we will succeed in improving the plight of our constituents and allowing them to feel much happier and in greater security.

I would also like as a last point to raise the extremely serious problems relating to housing.

There is talk about suppressing the sales tax of 11 per cent on building materials as a solution to the problem.

Personally, I thought the abolition of that tax could encourage young couples or individuals to become home owners because we know that an individual acquiring ownership becomes more interested, more motivated in his interest in his municipality, his province, and industry.

And I do not think I am wrong in saying that the housing industry affects 33 per cent of the labour force. So, I think that this government has all the reasons in the world to take particular interest in the promotion of the residential housing industry.

We are aware also that the interest rates of the Central Mortgage and Housing Corporation are now unreasonably high. And I wonder if it is not appropriate to ask the government to consider the possibility of giving a 5 per cent subsidy, for instance, to roll back the interest rates of the CMHC to an acceptable level.

I think that these are measures that we should consider seriously if we really want to correct the problems we are all facing and to alleviate the discouragement of Canadians.

Everyday, some views are conveyed to us that it is now very onerous if not impossible for a young married couple to be able to buy a house. I believe we should give serious consideration to those possibilities.

Of course, I would accept other such valuable alternatives maybe more than those I am now suggesting. For a long time we have asking for the abolition of the 11 per cent tax on building materials—it is not a new idea—as well as lower interest rates to encourage all Canadians and we would demonstrate that we have moved in the right direction in the battle against inflation.

● (0050)

[*English*]

Mr. William C. Frank (Middlesex): Mr. Speaker, I rise as yet another member of this House who is concerned about where this country is heading with the government we find attempting to lead us today. Perhaps the best way to explain what this debate is all about would be to quote from the *Financial Times* editorial of this week. I quote:

The new bundle of anti-inflation measures which Prime Minister Trudeau presented to Parliament and the country last week has a make-shift, grab-bag feel to it. The commodities Mr. Trudeau chose for specific action—wheat, milk and petroleum products—have little in common except that they may be the targets of consumer complaint. The increase to $12 a month in the monthly family allowance seems to have been selected because it could be done quickly and was likely to be popular.

In no way are these measures in themselves, or in conjunction with the measures announced three weeks before, a coherent program for fighting inflation. They seem to be aimed more at soothing the consumers and placating the New Democratic Party in the hope that inflation will eventually cure itself.

If we are setting out on a course of economic isolation, the strategy should be debated as such and its implications should be carefully considered. It should not be casually adopted in the course of a short-term and piecemeal fight against some of the symptoms of inflation.

It should be clearly realized that the benefits to Canadian consumers in the form of lower prices than world prices are at the expense, not of foreigners, but of other Canadians who are the producers of the commodities in question.

The government does not give the impression that it knows what it is doing. This would be bad enough even if the policies were only short-term expedients. It is much worse if a new long-term strategy is being slapped together without counting the cost or making a sensible estimate of the chances of success.

I do not want to leave the impression my whole speech is made up of quotations, but I feel yet another comment of a famous columnist in the Ottawa *Citizen* of September 12 sums up a practical solution to this dilemma. I quote:

To my mind, the best speech in the inflation debate was made by the Conservative member for Don Valley, James Gillies, the man who would be finance minister should Stanfield form a cabinet.

Gillies is one of the most competent men to come to parliament in recent times, and there seems no reason to doubt he would be a competent minister of finance.

The writer finishes by saying, and I quote:

Mr. Gillies did not need to point out that the government may recognize the need for such a policy before long—it has had just such a contingency plan ready for almost a year, and if inflation continues to mount it may well be brought into effect.

[Mr. La Salle.]

If it is, it will not matter that the other parties said the Conservatives were crazy—the Liberals will put it forward as though it were the most sensible plan in the world, and doubtless they will have the support of the New Democrats and Social Crediters in the process.

If only the Conservatives were being robbed, it might not be so bad. Trouble is, I get the feeling we're all being robbed.

Nothing could exemplify the trend of this debate tonight better than what I have just cited. What puzzles me is that every time members of the party to my left speak, they go to great lengths in trying to criticize us. If we do not have any plans that are worth anything, why do they spend so much time criticizing us? It is obvious that they and the government know full well who is the threat and who will be forming the next government.

I want to dwell for a few minutes on some points members of the other opposition parties may not know and government members will not want to hear. As members know, the committee on trends in food prices met many days and heard many witnesses. I wish to commend the chairman of that committee, the hon. member for Sarnia-Lambton (Mr. Cullen), on the fair way in which he chaired that committee. After meeting for many weeks and listening to witness after witness, the committee did not seem to be making much progress. Pressure was on the government to do something. The government set up the infamous prices review board chaired by Mrs. Plumptre. History will refer to this committee as the Plumptre committee. Judging from the performance of that board, it will probably go down in history as having been grafted with lemon branches.

Instead of looking at the positive side, the committee on food prices looks at the negative side. A good example of that was the presentation which the hon. member for Kenora-Rainy River (Mr. Reid) spent a great deal of time in making. I am sorry he is not in the House. I would like to compliment him on a very good speech. New members have not heard him speak up to this point. His speaking reminds me of the adage that when the cat is away, the mouse will play. The trends in food prices committee cost the taxpayers the minimum. It was composed of members of parliament who found time in their busy schedule to attend the committee meetings. There was virtually no extra cost to the country.

The food prices review board was established at a considerable cost, not to mention the army of price tag analysts going around the country at a cost of $6,000 to $10,000 a day. In her frustration, the chairman of that board said "write your MP". In committee last week, I stated she had said "pester the MP's". I will check the newspaper clipping to clarify that, at least for my part. I will give her the benefit of the doubt since she claims she did not say "pester", but "write" your MP. This is an example of how irresponsible she can be. It remains to be seen whether she consulted the rest of the members of the board. Mrs. Plumptre and the other board members receive almost $1,000 a day to sit, even though up to that point there had only been three meetings. They are the ones who were appointed by the government to try to solve the problem.

My comments were interpreted in a newspaper article which states "MP says he is pestered over food costs". It further states that I do not appreciate being called by my constituents and makes other nonsensical statements.

With all due respect to the press, they misinterpreted what I said. Possibly I misinterpreted what Mrs. Plumptre said.

In our committee meeting, there were a lot of critical comments. Naturally, these came from opposition members. I think they were invited because this board, under the chairmanship of Mrs. Plumptre, has aggravated and antagonized. This board is satisfied that marketing boards are not in the best interest of the country. I admit that marketing boards are not adaptable to every product, but they serve well the needs of the producers they presently serve. The opinion of the Prices Board was probably derived from the fact the Minister of Consumer and Corporate Affairs (Mr. Gray) saw fit to give the Canadian Consumer Association an additional $100,000 to fight the marketing boards. There seems to have been some prejudice again shown here against marketing boards. It was suggested that marketing boards were the culprits in forcing food prices up. I would refer now to the example of eggs. Some two years ago the egg market in Canada was in a poor position and producers right across the country were facing bankruptcy. The marketing boards had been established in the provinces and had the national marketing board not been established we would have seen large companies picking up farm mortgages. The effect this would likely have had upon consumers would have led to even higher prices than they are paying today.

• (0100)

I think the Minister of Agriculture (Mr. Whelan) must bear some responsibility in this connection, and I would point out that there is still one province which hasn't signed up and agreed to co-operate with the other provinces in Canada. I think the National Egg Marketing Board, if it is to have a fair chance of success, needs the help of the Minister of Agriculture to ensure that the one province to which I made reference co-operates in the program.

The Minister of Agriculture also has a responsibility to see that since feed costs are on their way down in all areas, to make sure that the boards do not exploit the consumers in a way which may have caused concern before. It is his responsibility to monitor the situation in Canada. At the present time feed costs in the production of eggs has dropped in the neighbourhood of between 5 cents and 8 cents a dozen. I think the minister has a responsibility to keep on top of the situation and see that the provincial boards toe the mark and do nothing to lose the credibility which they have built up to the present time.

It seems to me, Mr. Speaker, that farmers have for too long been in the position where they have been the first to go down and the last to come up. They only want a fair market, as they will be the first to admit, and are only too willing to do their part to produce. They need to have confidence in the future and are more than willing to invest their money in advance if they can see fair market opportunities in the future.

In conclusion, Mr. Speaker, I would like to make brief reference to a newspaper report of the results of a questionnaire sent out by the hon. member for Stormont-Dundas (Mr. Lamoureux). This matter was referred to in an earlier speech by one of my hon. friends, but I think it is a point which is worth repetition. The summary of the questionnaire results referred to in the press are as follows:

Do you favour wage controls? yes, 2,830; no, 1,195; undecided, 473.
Would you accept the imposition of some form of wage-price controls to combat inflation? Yes, 3,934; no, 496; undecided 319.

These questions were answered by some 5,425 people. I think that results such as these tell their own story, that the people of Canada in general are not satisfied with what they are getting right now. They don't want the type of hit and miss programs they are receiving.

Mr. David MacDonald (Egmont): Mr. Speaker, like many hon. members on both sides of the House, I think we are engaging this morning in a debate of some importance, not only to members of this chamber but to the general public. I doubt whether anyone needs to be reminded of the purpose of this debate but it is useful to recall at the outset the initial statement of the Leader of the Opposition (Mr. Stanfield) in asking for this debate. He approached the subject by stating a debate was necessary because of the "uncontrolled inflationary pressures exemplified by the report earlier today of Statistics Canada". That is what the debate is all about, the fact that the country is governed by an administration which in effect has taken the view there is nothing it can do to deal with the rapid rise in the cost of living.

The Minister of Finance (Mr. Turner) when he spoke earlier today, said the government already knew what was taking place. My answer to him is that if such was the case the government was guilty of one or other of two things: it was either callous for failing to come forward with a substantial program to deal with the rising cost of living or it was stupid in believing that the measures it has taken to date could be of any real help in dealing with the serious inflationary situation which faces the country.

Quite frankly, I have been not only mystified but amazed by the degree of detachment and lack of sensitivity the government has shown in the face of this threat hanging over the Canadian people. Indeed, I was more than mystified and amazed. I was shocked by the statement of the Prime Minister (Mr. Trudeau). In attempting to deal with this issue little more than a week ago, he suggested, in effect, that what could be done amounted merely to efforts to alleviate the effects of inflation without dealing with the underlying causes of inflation itself. Any government which reaches the point of believing it has lost control of the economy, as this government now admits, should, if it has any honesty and integrity left at all, consider the only sensible path open to them, and that is, depart the scene so that a government and a party could attempt to do those things which could set the economy back on a safer road. There can be no confidence in a government which says, on one hand, that we ought to limit production while, on the other hand, without embarrassment, the Minister of Finance is telling us, as he did this afternoon, that the overriding cause of inflation is a shortage of supply.

Many of my hon. friends have pointed out that we have experienced the injurious effects of the Lift program. The initial letters stand, I believe, for "Lower Inventories for Tomorrow". I certainly have not heard any member of the government proclaiming the virtues of that particular

program in recent days. Perhaps the government now intends to introduce a new form of Lift, whose initials will spell "Lower Incomes for Tomorrow". In any event, the government has admitted it is not able or prepared to deal with the underlying causes of inflation. This was obvious from the lengthy announcement made by the Prime Minister (Mr. Trudeau) a week ago. He was not even willing to talk about the root causes of inflation. I think his speech will be regarded as one of the more incredible documents in Canadian history. To think that a prime minister of Canada would make a lengthy speech addressed to the issue of inflation which did not contain one word dealing with either monetary or fiscal policy! For students of political science, it will be a classical document in the context of the Prime Minister's detachment from these over-riding considerations.

An hon. Member: Did you read it?

Mr. MacDonald (Egmont): I read it not only once but many times, and the more I read it the more amazed I was. I could scarcely believe that a document of that kind could represent the attitude of a responsible government in the face of the economic disruption which inflation is now causing. Any government member who has read it must be more than a little embarrassed. It is quite obviously not an adequate response. It amounts to the application of band-aids when the circumstances call for comprehensive remedies. While it is very easy for members opposite to criticize the kind of program that this party has put forward, we have attempted to treat the problem with the seriousness it deserves. What we are suggesting is that it is high time, in fact past time, the government approached the problem with some kind of seriousness.

● (0110)

I want to mention a couple of matters which may not have been touched on in the course of this lengthy debate. For instance, I want to talk about the extent to which our increasing cost of living is having an effect on young Canadians. I do not think we have had the opportunity—though I hope there are a sufficient number of independent social scientists who are doing this—to examine the kind of blighted and distorted lives being lived today by young people under the age of 25 because they have been both direct and indirect victims of inflation and unemployment.

This debate primarily centres upon the increased cost of living and the increase in the bank rate, but both of these are additional factors in what I think has been a very difficult time for the young people in this country from coast to coast. For the past, I do not know how many number of months but stretching back at least three years, almost half the number of those who have been unemployed month by month—almost one-quarter of a million this past month—have been 24 years of age or under.

The Prime Minister (Mr. Trudeau) and his government have been quite satisfied to deal with this problem purely on the basis of whether or not a certain make-work program, whether Opportunities for Youth or some form of government intervention in the summer, or the Local Initiatives Program in the winter, is sufficient to reduce to some degree the amount of social turmoil existing among young people in Canada.

No amount of window-dressing or breast-beating on the part of government representatives can avoid the fact that there are, and have been for more than 30 months, hundreds and thousands of young people in this country who have been very badly dealt with. One has only to move about the larger urban centres to see in and out of manpower offices and other employment agencies the number of disappointed, depressed and disillusioned young people who have found that, in spite of training and preparation to be productive in society, they have not been given a useful role because this government has not been willing to take seriously its responsibilities of economic management.

We in this chamber are attempting in this debate to tell these young people that there is a better way, that there is an effective alternative to the kind of mismanagement and blundering that they have been witnessing in the past few years. A government that attacks merely the effects of inflation is no longer good enough. What we must have, and I feel must have very shortly, is a government that is prepared to examine the real causes of inflation in this country and, even extending beyond that, in the international community.

I do not think any of us would for one moment say that shortage of supply is not part of the problem of inflation today. It is obvious that in certain goods and commodities there is a shortage of supply, some of these shortages being directly created by earlier government policy. We could also go on to say that a good deal of our problem is compounded by successive devaluations of the U.S. dollar in the international money markets, and the ride-down in which our dollar has participated along with the U.S. currency. We could also say that there is abroad, because of the continuing situation, an inflationary psychology very difficult to deal with, very complex and pervasive.

We could even talk about the alarming rise in consumer demand not only in this country but in a number of increasingly developing countries. Some of this has been triggered by the increasing ability to consume as a result of greater productivity in a number of countries. I can think of two countries that not many years ago were not even mentioned when it came to highly developed economies—Japan and Germany. We could also talk of the way we have inflated demand through the excessive promotion of goods and services by the mass media.

All speakers today could have spent hours and hours listing the causes of inflationary pressure. What we do not need is someone like the Minister of Finance (Mr. Turner) or the Prime Minister to lecture us on what the causes are. What we need is a government willing to take its responsibilities seriously, to believe that while it may not have the whole answer to the problem it is willing to tackle the problem directly and to do more than simply make additional payments through welfare or old age programs, no matter now beneficial each may be in turn.

The government should have a monetary and fiscal policy and be prepared to deal in some kind of over-all and comprehensive way with an incomes policy. It should be prepared to co-ordinate its own expenditure and revenue programs with those of other levels of government and

with major industries, both goods-producing and service industries, within this country.

What we have had, instead, is a government which has operated as some kind of remote island, knowing its programs and policies only unto itself. We have a government that talks of mysterious contingency plans that somehow never seem to exist except in the minds of an occasional minister who dares to talk about them. When conferences are held between federal and provincial governments, the federal government seems either afraid to discuss or is incapable of discussing realistically some of the basic problems of inflation today.

This is not giving leadership. One might even say it is not even the effect of following a good idea. It seems to me we are faced with a government that is committed to only one principle, one purpose, one path, and that is survival. Not survival, I might say, for the benefit of the Canadian people but primarily survival for itself. That surely must be to a great extent an indication of the poverty of political action and philosophy of this government.

It is ironic that we are having this debate on the eve of the national policy conference of the Liberal party. I do not see how there can be any sensible discussion of policy when the government refuses to deal with any policy matters in a way that makes them at least seem to be concerned about, interested in and able to deal with satisfactorily the cost of living today. How can there be consultation with its own members on matters of policy when this government fails to consult with any responsible sector of the economy, whether it be in the area of management, labour or governmental activity? How can they discuss policy when they continue with a group of advisers who have given the government one set of disastrous ideas after another?

How can they talk about policy when they are still committed to pursuing the same policies introduced earlier this year so disastrously in the budget of February, and the government still indicate no willingness or desire to move to a new budgetary recognition of the problems we are now facing? The time has now come for action, and this is the reason for this prolonged debate. If this prolonged debate, no matter how much longer it lasts, produces nothing else than having the government finally take this problem seriously, then we will have achieved a great deal for the Canadian people.

• (0120)

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I welcome the opportunity to speak in this emergency debate on the cost of living, although I do not relish speaking at 1.20 in the morning.

The situation in the country as far as the cost of living is concerned has reached a crisis stage. We now have the highest recorded rise in the consumer price index since the Korean war. Food prices have gone up 14.7 per cent in the last 12 months, the mortgage rate is up to 10 per cent, and the price of the average house has gone up 14 per cent in the last six months. If this upward trend continues in the consumer price index, by the end of the year a Canadian family will have lost about $400 in purchasing power, which will only be partially offset by recent government measures.

Cost of Living

The situation in my constituency of Sault Ste. Marie is not very bright. Last month Sault Ste. Marie was the second most expensive city in Canada in which to buy food. A basket of food that cost $16.14 in St. John's, Newfoundland, cost $15.69 in Sault Ste. Marie and $13.57 in Toronto. Basic foods in northern Ontario traditionally cost more than in the southern part of the province, and as the cost of living increases we in the north suffer more. Milk in my constituency is now selling at 49 cents a quart.

When we look at price patterns over the past few months we see alarming examples of increases in the cost of basic foods, foods that children and adults need for an essential and proper diet. For example, last May a dozen eggs cost 77 cents, by August the price had risen to 83 cents and this month eggs are selling for 97 cents a dozen in my constituency. The price of bread has risen from 35 cents a loaf in May to 38 cents a loaf, although the cost was down a bit in August to 32 cents a loaf. The cost of a pound of hamburger rose from 92 cents to $1.15 and is now down to $1.12. A three-pound rump roast in May cost $4.74, in August $5.34 and in September $5.26. The same applies to bacon, the cost of which has gone up from $1.17 to $1.68. We have indeed reached a crisis situation. Not only has the cost of basic foods gone up but the cost of fuel has gone up five cents a gallon in Sault Ste. Marie in the past two years. Housing costs are also up and it is now predicted that the cost of a house will increase by $2,000 to $3,000 in the next two years in my constituency.

Why are prices increasing? First of all, we know there is a basic increase in world demand, especially for food. This increase in demand has forced up the price in Canada. We are also told by so-called experts that poor weather has affected certain crops, especially the soybean crop in the United States upon which our farmers depend for cattle feed. This in turn has forced up the price of meat.

We also know that the cost of production has risen, as has the cost of labour, processing, handling and advertising. I suspect there is another reason for the dramatic increase in prices, and that is profiteering. When we look at some of the profits of major food processing, manufacturing and retail companies we begin to see some alarming statistics. The Weston food company in a six-month period ending August 3 showed increased profits of 63 per cent, with sales up only 17 per cent. Silverwood Industries in the second quarter had the amazing increase in profits of 107 per cent, while sales were up only 10 per cent over the same period. That great giant, Dominion Stores, had an increase in profits of 93 per cent, with an increase in sales of only 13 per cent.

It is not only the food companies that are taking advantage of the inflationary psychology. Oil companies as well are taking advantage of rising prices of international oil and oil from the mid-East. As a result, Canadians are suffering from an increase in the cost of oil and gasoline. We see companies like Gulf Oil showing an increase in revenue in the second quarter of this year of 16 per cent, with profits up 67 per cent.

The cost of land has increased astronomically, resulting in an increase in the cost of housing. A Toronto developer bought a house for $22,000 and sold it less than two months later for $28,000. Banks now involved in lending mortgage money have shown tremendous increases in profits. The

profits of the Toronto-Dominion Bank are up 50 per cent before taxes. The Canadian consumer has the right to know whether these increases in profits are legitimate or whether profiteering is taking place. I personally believe it is the latter. But the consumer has the right to know and the right to be protected.

What is the solution to this problem of the increased cost of living in Canada? The one solution I am convinced will not work is the Conservative party's solution of a wage and price freeze. One example has been recited again and again this evening and I suggest it has to be repeated because it has not sunk into those thick Tory skulls; that is the example of the complete failure of the wage and price freeze policy of the United States. Even President Nixon has admitted that his policies have failed. The consumer knows this because the price of beef in the United States has gone up, and because there have been intensified shortages there has been a stimulated demand by consumers who want to purchase items while prices are frozen.

How could a Canadian price freeze control the price of imported foods? How are we going to control the cost of imported citrus fruits, vegetables, coffee, sugar and oil? We now have to import 50 per cent of our oil because this government has not seen fit to authorize the construction of a pipeline to Montreal. I should like members of the Conservative party to tell me what guarantee we would have that once the temporary price freeze was lifted, prices would not skyrocket as they have in the United States. Moreover, a wage and price freeze is completely unfair. A price freeze encourages many people to increase prices in anticipation of such a freeze and it penalizes those who have their low wages frozen or locked in.

Members of the Conservative party suggest that this is only to be a temporary 90-day freeze to give them time to develop a control program. I ask those hon. members why that policy was not developed during the summer months. While Conservative members were vacationing, the NDP called a special caucus to consider its policy.

Some hon. Members: Oh, oh!

• (0130)

The Acting Speaker (Mr. La Salle): Order.

An hon. Member: Order. Sit down when the Speaker rises.

Mr. Symes: I would like to say this: if they have a policy, they should bring it forward for public scrutiny. I wonder why they say they need another 90 days to formulate it. I suspect that the Conservative policy would not work and that they know it would not work. However, the Liberal government is not much better. It has drifted along. The Minister of Finance (Mr. Turner) while on vacation in Kenora said there was a problem in respect of prices, but that it was not of sufficient severity to warrant recalling parliament.

An hon. Member: Don't apologize for him.

Mr. Symes: Unfortunately, we had to come back to settle the rail strike.

An hon. Member: Unfortunately?

[Mr. Symes.]

Mr. Symes: The men went back to work on a very poor basis: they received an unfair settlement. Parliament continued to meet, and therefore we are now discussing the consumer price index. Parliament would not have been sitting were it not for the fact that there was an emergency situation in respect of the rail strike, and the government would not have acted unless pressure had been put on it. When our party met for a special food price caucus we made four recommendations to the government which partially have been implemented. We wanted a prices review board that would not be limited to examining merely food prices but would have the authority to examine all prices. We will continue to urge the government to move in that direction. We want the Food Prices Review Board to have power to roll back prices. I noticed the Conservative party opposed this in the committee on food prices. Members of that party refused to give the board that power. I cannot understand how members of the Conservative Party can profess to be on the side of the consumer and yet could vote against such a progressive piece of legislation.

We wanted pensions increased to at least help those on fixed incomes. We wanted a cost of living escalation that would be reviewed every three months instead of once a year. This was granted. We said also, as an interim measure, that family allowances should be increased to $12 in order to help Canadians. This was granted. We asked the government to give subsidies in respect of basic foods such as bread and milk so that the consumers could at least meet the predicted rise in these areas. We also asked for mortgage interest rates to come down to 6 per cent. It is typical of the government that it has not moved against the great financial institutions of this country although it has the power to do so.

There is also need for an excess profits tax to be levied against companies which, as I described earlier, have been taking advantage of the citizens of Canada. This summer, the New Democratic Party held a national convention in Vancouver and produced an 11-point program to help fight inflation. I have described some of these points. There are other points in respect of this program which, if implemented, would go a long way to reducing the cost of living in this country. We want to see an increase in food production, and this can only take place in our country if we guarantee the farmer a fair price for his efforts. We want to see a two-price system in respect of oil and gasoline so that Canadians will not continue to be ripped off by the oil companies of this country. We want to see a food support program so there will be adequate food on the tables of the poor people of this country.

Our party has a sound and reasonable program to help meet the cost of living in this country. We have urged the Liberal government to move in this direction. We will continue to fight in this House and throughout the country so that the consumers may have fair prices.

[*Translation*]

The Acting Speaker (Mr. La Salle): Would hon. members kindly resume their seats. I would like first to thank them for cheering me warmly when I was called to the Chair. Now, I recognize the hon. member for Elgin.

[*English*]

Mr. John Wise (Elgin): Mr. Speaker, as I rise in my place to participate in this emergency debate this morning I wish to commend all the members of this House who have had the interest and enthusiasm and the concern to remain in their places, if not to participate at least to listen. I cannot help being reminded of a situation which I am sure hon. members have experienced from time to time. I refer to the situation where a person has a car, a truck, a tractor or some other commodity which turns out to be a lemon. In such a case he disposes of it at the earliest possible opportunity. Now an increasingly greater number of Canadians are discovering that the government is the lemon I mentioned previously and that it is high time it be discarded.

The consumer price index figures released this morning and the unemployment figures released on Tuesday, combined with the ever-increasing inflation we are experiencing, indicate that not only is the economy of this country being mismanaged but it is being mismanaged by a group of incompetent politicians. The feelings of the people of Canada would indeed be truly felt if a general election were called today, tomorrow or perhaps a week hence. We all know that the "Liberal-Democrat" party is afraid to face the electorate at this time. They know that the smaller portion of the coalition will disappear and that the larger part will be virtually thrown out of office.

No longer can we be content to accept the government's wait-and-see philosophy. No longer can Canadians be expected to be hypnotized with meaningless assurances by the Minister of Finance (Mr. Turner). We need action rather than part-time remedies or temporary measures. It is not the effect that needs to be cured—which is what the government in its blindness is attempting—but it is the cause. The cost of living figures released by Statistics Canada this morning show what Canadians have known for months: inflation is getting out of hand and we are being thrown back into the dark days of the twenties and the thirties.

God help us, especially since this situation could have been prevented. We have experienced the biggest monthly increase in the cost of living for 22 years, yet the government indicates that because this is a world wide pehnomenon there is not too much they can do. It is as bad as the Prime Minister (Mr. Trudeau) saying; "As the world turns, so does the universe unfold". It all means one thing—that the government is powerless to do anything and is quite prepared to sit and try to weather out the storm, holding hands with its partner in coalition. The patchwork of temporary relief measures introduced by the government will have virtually no effect on the increase in the cost of living.

● (0140)

I have been most disappointed up to this point. There has been no move to introduce legislation to help a group of people within our society who are being affected adversely by the spiralling rate of inflation and cost of living, that is citizens between 60 and 65 years of age. The Minister of Finance (Mr. Turner) said on September 10 that he thought it strange that the Progressive Conservative party should support the government's so-called inflationary measures that were introduced last week and then be opposed to the way in which the government is approaching the whole situation. We will be the last to deny aid to those who need it, and since the government has given no leadership in the fight against inflation, the Canadian people need the help and support of the PC party more than ever.

If the government of this country thinks that a cure for inflation, for rising costs, and for unemployment can be found in temporary, patchwork policy, then we are in for a lot of trouble and hard and difficult times. No doubt it will take a Conservative government to put the country on its feet again. As my colleague, the hon. member for York-Simcoe (Mr. Stevens) said in the House yesterday, the increases that have been granted to the needy by the House do not even restore the buying power of family allowances to what they were in the years of the last Conservative government.

It worries me, as it worries hundreds of thousands of Canadians, when the government takes the attitude that nothing can be done about the serious economic difficulties facing us today. This assinine attitude adopted by the government toward the economy is being reflected in other areas of responsibility. The reason this country moved so rapidly into the challenges of the 1960's and 1970's was the strong sense of responsibility shown by the Conservatives in the late 1950's and early 1960's. What we need is more of the same type of leadership. What this country does not need is the arrogance and the could-not-care-less attitude of the government today.

Gradually the government has been coming around to our way of thinking. Bit by bit they have been taking parts of our economic platform and incorporating them in their own. We in this party are glad to be of service, not only to the people across this country but also to members of the party on the other side of the House. But what is not wanted is the jeering and abuse that has met our suggestions of price and wage controls. The total ignorance of many hon. members on the other side always comes to light when they start using such irresponsible arguments as comparing Canada with the United States and Great Britain. The hon. member for Don Valley (Mr. Gillies) gave an excellent speech on this subject last Monday. It was probably one of the most logical and rational speeches given in the House on the matter before us.

The economic proposals of the Trudeau administration back in 1968 and 1969 have failed. This is obvious from the high rate of inflation that we have today. It was thought then that to fight inflation one should slow down the economy. The result of course was massive unemployment the like of which this country has seldom seen before. Then, as a result of the attempt to fight rising unemployment, inflation bounded back. Rather than wait and try to ride out the storm, there are constructive steps which this government could be taking to deal with inflation. Time and time again these steps have been pointed out, but time and time again the government laughed and said no. Then, last week, the Prime Minister (Mr. Trudeau) announced certain selective controls, some of which I am sure will be financed from the pockets of the producers in this country.

It is not about time the government realized that something is wrong with the way in which they have been

managing the economy of this country, not only during the present crisis but since 1965 and 1968? Is it not about time the government realized that we can use monetary and fiscal policies, supplemented by an incomes policy, to bring about the type of economic conditions that would be beneficial to all Canadians?

There is no way that the people of Canada would be prepared to sit back and accept the Liberal party's excuse that nothing can be done about inflation. To take this attitude is wrong by any standard. It has been clearly demonstrated that the Liberal party lacks the ability to lead Canadians in the fight against inflation, and that the Liberal party lacks the ability to lead Canadians in the fight against the high cost of living.

Mr. Baker: Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Nowlan: Mr. Speaker, I rise on a point of order. I hope you will not take the 15 minutes of applause which greeted the hon. member for Grenville-Carleton (Mr. Baker) from the time allotted to him.

[*Translation*]

The Acting Speaker (Mr. La Salle): Order. The hon. member for Annapolis Valley (Mr. Nowlan) on a point of order.

Mr. J. P. Nowlan (Annapolis Valley): Thank you, Mr. Speaker.

[*English*]

I forgot to mention in my point of order that I wish to compliment you on the decorum you have maintained since you assumed that high position.

Mr. Poulin: Mr. Speaker, I wish to rise on a point of order.

Mr. Baker: Mr. Speaker, that is probably the best speech that the hon. member for Ottawa Centre (Mr. Poulin) has ever made.

Mr. Knight: Mr. Speaker, on the same point of order, may I point out to the hon. member for Grenville-Carleton that it is probably the only speech which the hon. member has made.

Mr. Baker: I should like, first, to rise to the defence of the hon. member for Ottawa Centre with respect to the comment that it was his only speech. I think he made two others. However, considering the remarks which he made at the opening of the speech—

[*Translation*]

The Acting Speaker (Mr. La Salle): The hon. member for Ottawa-Centre on a point of order.

[*English*]

Mr. Poulin: Mr. Speaker, I rise on the same point of order. Although the hon. member for Grenville-Carleton has learned much, obviously he does not know everything. I have made more than two or three speeches or the number he has mentioned. However, the point of order on which I rose this evening was in reference to the colour of the tie of the hon. member for Annapolis Valley (Mr. Nowlan), which is red. His speech made it obvious that he really supports our policy. The fact is that there is not one member on the other side who during this whole day's debate, has been able to offer—

Some hon. Members: Order.

Mr. Baker: Mr. Speaker, I do not want to make any comments on the interjection that has just been made beyond saying that I ask the hon. member for Regina-Lake Centre (Mr. Benjamin) to be careful from now on into whose bed he crawls. This afternoon we heard a speech by the Minister of Finance (Mr. Turner) following ten days or so upon a speech made by the Prime Minister (Mr. Trudeau) which was alleged to outline a program to fight inflation. I think it has been generally held by economists, regardless of their political stripe, that the speech of the Prime Minister on September 4 was barely above the quality of the speech given a few moments ago by the hon. member for Ottawa Centre (Mr. Poulin), and was certainly no answer to the critical question of the rising cost of living and the inflation crisis in this country which caused the Speaker of this House—

● (0150)

Mr. Poulin: On a point of order, Mr. Speaker, the hon. member for Grenville-Carleton (Mr. Baker) has referred to a speech I made. I did not make any speech. If there is any question of debate, be it here or any other place, there has never been any problem between myself and the hon. member for Grenville-Carleton: I have always won out and will continue to do so.

Mr. Baker: Mr. Speaker, I see that the voice of sweet reason is now sitting beside the hon. member for Ottawa Centre. As I was saying, this crisis of inflation is so bad that the Speaker of this House deemed it advisable, considering all the circumstances, to permit an emergency debate dealing with the cost of living.

The point some of us tend to forget was mentioned by the hon. member for Egmont (Mr. MacDonald) in his eloquent remarks a few moments ago when he spoke about the people who are behind the statistics released yesterday morning at eight o'clock. He was referring to the people who are really suffering as a result of the ineffectiveness, the ineptitude and the political expediency of the government. The hon. member for Egmont spoke eloquently of young people who are bearing the burden of this situation because they do not have opportunities for work.

Mr. Poulin: Give us your views, Walter.

Mr. Baker: Judging by the interjections from the other side, members on this side are more conscious of the unprotected people in this country, those who do not have economic bargaining power, the disadvantaged and the infirm. They are the people who are behind these statistics. They are the mothers and the fathers who are trying to raise children at a time when their dollar is diminishing in purchasing value.

Look at the percentage change over the previous 12 months in the price of food—a 15.8 per cent increase. Housing shows a 5.4 per cent increase, clothing a 5.4 per cent increase, transportation 3.3 per cent, health and personal care 5.5 per cent, rent and recreation 4.6 per cent, tobacco and alcohol—in which some members of the House overindulge—2.7 per cent. If there was ever a testament of ineptitude, it is present in these figures.

I say to you this morning, Mr. Speaker, in the late hours of this debate, that this is not just a testament of failure. It is the last will and testament of the government. On September 4 the people of Canada waited, expecting something better than this testament of ineptitude that came from the Prime Minister. They waited for the government to introduce a comprehensive and direct program to fight inflation. But what did they get? They got a palliative.

They asked the government to implement the contingency plan it had talked about so long, a plan for direct economic controls. But what did they get? Nothing. Yesterday we asked whether a new budget would be introduced to meet these economic problems which have been brought on by the ineptitude of the government, by the fear of the government which has had one eye on the NDP and the other eye on God knows where.

Mr. Poulin: What would you do, Walter?

Mr. Baker: We have asked the government to forecast how rising interest rates will be reflected in the mortgage rate. We have asked what the government is going to guarantee that mortgage money will not go higher. And the government talks about some mystical undertaking with the chartered banks. What it forgets to point out is that the chartered banks are not greatly involved in lending in this country, and that the government, because of its ineptitude, has no control over private lenders and other lenders.

There has been no answer on why prices have been forced up by the government. We have had poultry and meat price increases almost beyond measure. What is the cost of buying a home as a result of government ineptitude? What is the level of rents paid by people in the constituency of the hon. member for Ottawa-Carleton?

Mr. Poulin: On a point of order, Mr. Speaker, I am not from Ottawa-Carleton.

Mr. Baker: They are sober and upright people in Ottawa-Carleton, but a little foolish politically. What about the increased costs of fuel and transportation borne by the people who are behind the statistics? They are the people who matter, but they are the people the government has forgotten.

Earlier in this debate I heard the hon. member for Verdun (Mr. Mackasey) admit he was a city member and knew nothing at all about agriculture, but he spoke about farmers at last getting a decent income. What he forgot, in terms of gross income, was the more expensive input costs of production the likes of which farmers never say before.

Mr. Poulin: And what would you do, Walter?

Mr. Baker: As a result of this, farmers are faced with startling increases in costs. If the hon. member for Ottawa Centre is capable of reading a newspaper, I ask him to look at the weekly newspapers and note the auction sales. Thousands of farms are going out of production because of the restrictive policies of the government.

The fact is that the government failed farmers. It has failed Canadians. It has failed to contain the high input costs of farming. Where the people of this country asked for action, they got indecisiveness. Where they asked for competence, they got incompetence. Where they asked for openness, they got deceit. And where they asked for honesty, they got the hon. member for Ottawa Centre.

Mr. Poulin: What would you do, Walter?

• (0200)

Mr. Baker: If the hon. member for Ottawa Centre is in possession of his senses—which I doubt very much—I would ask him to read the speech made by the Leader of the Opposition (Mr. Stanfield) on September 4, 1973. I do not know what his condition is, but it is not normal.

An hon. Member: Oh, yes, it is normal.

Mr. Baker: Then I think perhaps he ought to enter this debate tonight, instead of skulking in the back benches of the chamber where he is wont to be.

Mr. Speaker, there is a challenge to be made by all Canadians. I challenge that hon. member to stand tonight and to make a speech. I challenge him to defend the cost of living. I challenge him to defend the increased cost of rents. I challenge him to defend the rising cost of hydro. I challenge him to defend the cost of fuel. I challenge him to stand on his feet and do the job he was elected to do, rather than sit and shout insults from the back of the chamber. If he can stand, I say he dare not stand. If he defends this government in its ineptitude, then he himself is inept.

Some time ago in this House we debated increases for pensioners of the public service, increases in youth allowances and increases in old age pensions. They were heralded by the Minister of National Health and Welfare (Mr. Lalonde) as the great cure-all. We voted for those things as a temporary relief, Mr. Speaker. But let the hon. member for Ottawa Centre, all the other callous members on the treasury benches and the claque behind them, understand that they are not relief and, except in the temporary sense, they are not solutions to the problems which face this country.

The solution to the problem lies in the program announced by the Leader of the Opposition, a program he has put before this country since February, 1973. It is a program which this government for its own reasons, good or bad, has sought to ignore, thus leading us to the present situation of crisis.

I challenge that hon. member to get up and defend the economic tomfoolery that we have seen. I challenge him to dispute the eloquent testimony, the righteous and proper economic thought that was brought forth by the hon. member for Don Valley (Mr. Gillies). I should like to hear the hon. member speak on the question of economics. All he has done tonight is shout, and I should like to see him get up and defend the speech made today by the Minister of Finance; that is, if he was present to hear it.

Cost of Living

[*Translation*]

The Acting Speaker (Mr. La Salle): Order. I am sorry to have to interrupt the hon. member but the time allotted him has expired.

The hon. member for Assiniboia (Mr. Knight).

[*English*]

Mr. Poulin: On a point of order, Mr. Speaker, I would be most happy at any time to debate with the hon. member for Grenville-Carleton (Mr. Baker) as I have in the past. I have asked him time after time, "What would you do," and never at any time has he been able to offer a solution or indicate that he has any idea—

[*Translation*]

The Acting Speaker (Mr. La Salle): Order. I would ask the hon. member to resume his seat and, once again, I shall give him the floor in due course if he wishes to take part in the debate. For the time being, I call upon the hon. member for Assiniboia.

[*English*]

Mr. Bill Knight (Assiniboia): Mr. Speaker, I begin by saying that there are many hazards to many professions: miners fear cave-ins, farmers fear drought—but politicians are the only group of people who can sit up all night debating a set of figures. The figures came out on the basis of a month ago. While we sat in the House tonight, supposedly debating that important issue, in a television program it was announced that in the area of food costs there was a drop in every major city, save one, in Canada in the price of beef and there was also a drop in the cost of other foods. But, Mr. Speaker, no member has taken the opportunity to point that out.

In this debate I listened to the hon. member for Don Valley (Mr. Gillies) for whom I have a great deal of respect. I hoped to hear him offer some kind of program related to inflation and the cost of living. When it was proposed in February that there should be a 90-day freeze, I listened to a program that I thought might have some merit and I reviewed it, as I am sure all hon. members did. Now I hear it being presented again.

Mr. Speaker, I ask, what would have been the result of a 90-day freeze imposed in February on the people in my riding? The hon. member for Crowfoot (Mr. Horner) gets up in this House and talks about grain and cattle and is critical of an export control that affected 2 per cent of the beef production. Such a freeze would have meant that producers in my area would have been frozen at last spring's prices, when they should have been much higher. It would have meant that the producer of Assiniboia would have had his wheat prices frozen far lower than they are today. It would have meant that the price of oats would have been far less than the price today on the market. It would have meant that the working man who negotiated a contract with the co-op this summer would have had his wages frozen at a lower level than he deserved. This is the kind of situation that would have faced the people of Assiniboia.

I ask those Conservatives from western Canada who are enunciating that position what justice there would have been to these farmers who two years ago were receiving prices below the cost of production. What justice would

there have been for them, in view of the way the Conservative campaigned last fall, promising to get a good deal for the farmers? Some Conservative candidates spoke of guaranteed prices and some spoke of getting a good return and net income; but now, when the producers of western Canada have finally got something from the market, they speak of across the board freezes for 90 days. What would have happened to the mixed farmers of Assiniboia if the price of beef had been frozen in February? The hon. member for Crowfoot says, "Look at what export control did to the free market? Look at what it did to prices." We know what it did to prices.

What would have happened to the producers in my area who were moving cattle this year, maybe 50 or 75 in a herd, if they had faced a 90-day freeze? There would have been the same kind of absolute disaster as that which hit the American beef market. I plead with the Conservative members, for whom I have respect, to oppose that kind of measure.

An hon. Member: Where are all the Grits?

Mr. Knight: I don't know where the Grits are, and I don't worry about the Grits. Mr. Speaker, this debate was initiated by the Conservative party. Out of roughly 107 Tories, there are nine in the House. Where are they? One is hiding behind the curtain. This emergency debate of theirs has been blown up like a balloon. They huffed and puffed all day, and now they are gone. It is their debate, but only nine of them are left.

An hon. Member: But there is quality.

Mr. Knight: There is some quality. On Monday some people said that parliament ought to come to an end. The hon. member for Don Valley (Mr. Gillies) said, let the people decide. There is no question but that in our parliamentary democracy, and thank God we are not like Chile and still have one, the people will eventually make the choice. When that choice is made, we will accept it. However, there is no excuse for a member of parliament saying on a Monday, bring this parliament to an end. We cannot disregard our responsibilities as members of parliament and throw this country into a general election. Absolutely nothing would be done about the cost of living for 60 days prior to the election and three months after that.

• (0210)

Let us say that by some quirk, there was a Tory government. They said they would institute a 90-day freeze. There would be a rise in prices by the large corporations the likes of which we have never seen. I admire a party that talks about moving into the market place. Welcome aboard! However, let us not get into the singsong and say we will determine a course in 90 days. It will not work. If you move into the market place, you move in for good. If you move into the market place with the large corporations, you had better be prepared to do it on a long-term basis.

Should a socialist government have the opportunity to govern, we will move into the market place. The Tories will then stand up in this House and cry foul. They will say we are destroying free enterprise. We would establish national marketing and a two-price system for oil and gas.

The Tories will say those creeping socialists are again moving into the market place. The Tories are playing a dangerous game. If we move into the market place, it will be in a positive direction. We would establish a powerful prices review board.

I wish to deal with the wheat market. I receive $1.76 a bushel for my wheat and my cost of production is $2.58. In spite of this, the Tories want to freeze the price for 90 days, with no recourse to those who are hurt. I want to express some personal opinions on what I think should be considered. Canada has traditionally been one of the main exporting countries of the world. We have a very sparse population. We do not have a volume of internal or domestic consumption related to the total of what we produce as do the United States and other major countries. We have 22 million people scattered from coast to coast.

In terms of what is exported, we should decide what commodities affect the cost of living and can be controlled. I am not talking about 90 days. I am talking about a long-term basis. When a farmer in Assiniboia complains about the price of lumber, I agree it is too high. If we want to start a program in this country, we will need government control over the market place. That is not the Tory policy. That is the policy of the social democratic party. If the Tories want to move in that direction, welcome aboard.

There are certain commodities for which we can have a two-price system. I have listened to hon. members, including some from my party, talk about the inequities of this system enunciated by the Minister of Justice (Mr. Lang). Following the election, I rose in this House last January to tell this government that the wheat farmer in western Canada was getting an awful rooking because the two-price system was geared in such a way that every producer was losing at least 55 cents a bushel on the basis of the international price. I considered that to be an important issue.

When I returned to my constituency, some producers told me they would accept the idea of a two-price system if it were paid out differently. We are the greatest wheat producing country in the world. Canadians can buy bread at a reduced price. However, when there is a two-price system for his commodity, the farmer would like to see the government have the guts to introduce the same system for the oil and gas industry, not a wishywashy proposal such as that presented by the Minister of Energy, Mines and Resources (Mr. Macdonald). A powerful national marketing board should be established. The domestic price should be fixed and the corporations should have to live with it. The export price can go where it likes. I remind hon. members that farmers are the greatest users of fuel products in this country.

Nickel is produced in Sudbury. Lumber is produced in British Columbia. Hon. members know the large conglomerates in the lumber industry are selling lumber on the international markets at extremely high prices. They are selling the best quality and the rest of us get what is left. Lumber should come under a national marketing board. The same could be done with regard to fish, but not for 90 days. If we move in the direction of a federal socialist economy with marketing boards and domestic prices set for Canadian consumers, urban and rural, we cannot do this in 90 days. It must be done on a long-term basis.

Cost of Living

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, it is now 2:20 a.m. One has to realistically consider whether debating inflation at this hour is doing any good. The members of the government are not here to either listen or speak. A lone sentry represents the press. The galleries are empty. Canada sleeps. Yet we go on. Why? We go on because we must.

If all the opposition can do is protest the mismanagement of this country and say over and over again what we would do to bring stability back to the economy, then that is what we must do. We must go on exposing the bankruptcy of ideas of this government. We must go on exposing the hypocrisy of the New Democratic Party in keeping the Liberals in office. We must go on providing some hope for the millions of Canadians who are frustrated, bewildered and disillusioned at what they see happening in their lives.

Speaking personally, I do not have any great pretense that my words at this hour will produce instant results. Perhaps my words in the black of night are symbolic. Certainly, they are representative of the feelings of my constituents in Edmonton-Strathcona. Last week I conducted interviews with 159 people on a door-to-door basis, and I found that 64 per cent were convinced the governement was failing to control inflation. The majority of them are simply not satisfied with a government which tolerates 8 per cent inflation and 5.5 per cent unemployment.

• (0220)

But it is more than statistics based on my interviews that I bring to the House at this hour. I wish to record the feelings of people as they expressed them openly to me. If the government will not listen to me, if the government will not pay attention to my statistics, will the government at least have some regard for the basic feelings of people? Here are isolated "quotes" from Canadians I represent. I ask you to remember, Mr. Speaker, as I read them, that these are opinions gathered from a wide cross-section of the Strathcona constituency. These are the statements made:

I am afraid to go to the grocery store.

This, from a widow who is a nurse with two sons, 18 and 16 years old.

I am against a minority government because it does things only reluctantly and needs to be pushed.

Trudeau doesn't care about high food prices.

Trudeau continues to play politics.

I am on welfare and I am very much for Stanfield because I think he will help us more than Trudeau.

Some hon. Members: Hear, hear!

Mr. Bell: Will you read that one again?

Mr. Roche:

Stanfield is the best of the lot.

Some hon. Members: Hear, hear!

Cost of Living

Mr. Roche:

There are still too many people on welfare. We should make it easier for those who need help to get money and harder for those who can work.

The government is hurting the little businessman most and soon there will only be big business in Canada.

The middle class is being squeezed the most.

I have just spent $60 on groceries. I don't know how the government is running the country.

I think David Lewis is the big king.

Pierre Elliott is not the man. We need a change.

There is disillusion in the air. Something must be done.

With the high cost of living all we are doing is fighting for existence. That is a heck of a way to live in a marvellous country in a great province.

I don't know what the new generation will do. It is scary when you think of it.

In a minority government they play both ends against the middle.

We can't afford to go on doing bits and pieces of policies. We've got to plan for the future of Canada.

Those are the voices of Canada today. What is it that these and other Canadians want most? They want a government to take firm and comprehensive action to stabilize the economy. They will accept wage and price controls because they recognize this medicine is necessary to cure the ailing Canadian economy. The government responds to the crisis in which we find ourselves by proposing bits and pieces of solutions. It is now clear that only a change in government will provide a fresh view, the new philosophy which is needed at this moment in our history.

It is this realization that makes so bitter-tasting the desperate antics of the leader of the NDP whose vote of confidence in the government last Monday amounted to one of the greatest rip-offs ever perpetuated on the Canadian people. Never again will I sit silent as the NDP champions the cause of justice, especially for the little man. All the members of the NDP are interested in is protecting their skins and surviving as long as possible because they know they will be wiped out in the next election.

Some hon. Members: Hear, hear!

Mr. Roche: Imagine the gall of that self-serving politician from York-South who went on the CBC news last week and proclaimed that the Tories were filled with glee at the figures in the latest consumer price index. That is an unmitigated falsehood and if he had any shame at all, the leader of the NDP would never dare show his face in this chamber again. The Canadian people know who their real champion is in their fight for stable prices and sufficient jobs. They know he is that man called Stanfield, a leader of integrity, vision and guts. It is this leader who will save the country from the incompetence of the Liberals and the hypocrisy of the NDP.

Some hon. Members: Hear, hear!

Mr. Roche: This is the message which should carry across Canada in these early hours to keep alive among Canadians the hope for a better tomorrow.

Some hon. Members: Hear, hear!

[Mr. Roche.]

Mr. Arnold Peters (Temiskaming): Mr. Speaker, I was interested in the remarks made by the last speaker. He has obviously elevated the NDP into a position I have long looked forward to seeing this party occupy. I noticed in the speeches made today that a great many references have been made to proposals put forward in the last few months by the New Democratic Party, and rightly so. It seems to me that a small group in this House has been pioneering in a number of directions, making recommendations for legislation to solve some of the difficulties facing us. This is probably not the way in which things should be done. I am sure, though, that many of the suggestions which have been made in the course of this debate are worthy of consideration after all the politics have been scraped off them. If we have done nothing else, we have convinced all the thinking members of the House that it is time we adjourned for three or four weeks to provide an opportunity for the civil service to think about some of the proposals which have been made and prepare legislation for the rest of the session.

Mr. Blenkarn: The government has a contingency plan.

Mr. Peters: The government may have such a plan and the opposition parties may have plans, too. But after looking at some of the legislation which has been introduced in the last few days, I think the civil service has no contingency plan. Unless we give them the opportunity of thinking out some of the recommendations that have been made to them, we will get the kind of legislation we have had in the last few weeks. When suggestions are made by the NDP, after a short caucus meeting the government in a backhanded sort of way implements these pieces of legislation. If this debate has done anything it is to show that we should all go home, listen to the views of our constituents and come back here with fresh ideas not from our own mill.

● (0230)

In my opinion, there is not a great desire on the part of the country for an election. Despite what has been said today, the Conservatives have many opinions about what Mr. Stanfield has suggested they do over the next 90 days.

Mr. Speaker: Order. The hon. member for Timiskaming (Mr. Peters) is a member of long experience in this House and knows he should refer to a member by his constituency or his official capacity in the House, not by his name.

Mr. Peters: Mr. Speaker, I got carried away with the debate that took place a few minutes ago and the reference to underwear. I refer, of course, to the Leader of the Opposition (Mr. Stanfield) who instituted this debate, and to the fact that he has been followed by members of his party. I think it is safe to say that none echoed the sentiments that he expressed, and this indicates to me that hon. members should listen to the views of their constituents.

There are things the government can do and should do. Few people in this country would disagree that we must do something about the housing situation and about the fact that no young couple should pay an interest rate of 10 per cent on a 40-year mortgage. Young people in the city of Ottawa buy houses in the $70,000 range on a 10 per cent

mortgage over 40 years. This is a field in which the government can do something to reduce interest rates if it wishes. All would agree this matter must be attended to immediately because we are arriving at a situation where housing for young people with a view to ownership in their lifetime is almost an impossibility.

When we talk about food we are really talking about a limited number of basic foods. Few people in Canada would not agree that the public is being gouged by the food chains and processors in the price of basic food, and that action must be taken to stop this. There has been a great deal of argument about what that action should be. I suggest that nationalizing the food chains in this country may not be a bad idea. It may be much more sensible for the CDC to put its money into Dominion Stores, Safeways, Loblaws and other chains making as much as 200 per cent profit compared with six months ago, than to put its money into Texasgulf, where to my knowledge that kind of profit is not being made.

It must be apparent to most hon. members that the discussion today indicates there is no consensus regarding what must be done. We have had a collection of ideas about the problems facing us today. Most hon. members would agree there should be a budget very shortly and that the Minister of Finance (Mr. Turner) must solve some of these problems. There are few who would not agree with the former minister of northern affairs, the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), who said that one solution would be to eliminate the advisers who have held their positions for 20 years and have given bad advice during that time. To replace them would take some time.

Therefore, I strongly urge that if this debate has taught us anything, it has taught us that we are contemplating our navels in this place. We are not really speaking for those we represent when we say that now is the time for an election, that now is the time to roll back prices and to do this or that. Now is the time for us to go home, meet our constituents and give the civil service time to put into legislative form some of the proposals made in this debate which warrant consideration. Then in two or three weeks we can—

The Acting Speaker (Mr. Laniel): Order, please. Is the hon. member for Peel South (Mr. Blenkarn) rising on a point of order?

Mr. Blenkarn: Would the hon. member permit a question, Mr. Speaker?

Mr. Peters: Sure.

Mr. Blenkarn: Is it the opinion of the NDP that we serve no purpose in this House and should adjourn so the NDP can have a holiday, or will the NDP stay and demand that this government produce some legislation?

Mr. Peters: The answer should be very clear. I am prepared to stay here till whatever time the House adjourns. Others in my party feel the same way. Many suggestions have been made in this debate. I think the hon. member would agree that if the Leader of the Opposition were to form the government tomorrow, he would not be so foolish as to suggest that the very next day he would be able to implement legislation. There would be a time lag before legislation was available.

The hon. member heard the acting House leader read off a list of legislative items that have been kicking around for a long time, and if he thinks we should spend the next two or three weeks dealing with them, plus capital punishment, then I am prepared to be here. But I suggest there must be a better way of doing business in this House. We have made a number of suggestions to the country which we put forward as solutions to the problems facing us.

● (0240)

If these suggestions are accepted by the government, the civil service will need some time to draft the appropriate legislation. If the government feels it has legislation in the fields we have been discussing, including the cost of living, interest rates and other areas of increasing costs which are spiralling in Canada today, we are prepared to deal with it. If it is felt that the civil servants are prepared to draft that legislation immediately, by all means I suggest that we get on with that legislation. If that is not the case, I think it would be to the advantage of all hon. members and the government to have legislation in these fields prepared. This will not be possible if we sit here and continue to outline our solutions to these problems. I strongly urge hon. members to forget this business of calling an election. Our real interest lies in solving our problems of today.

This government was elected by the people. They have made a choice. In the 16 years I have been here, they have not made the choice that I would like, but I want to see that those people in my constituency who elected me get the best legislation possible. This has been a long session and we have yet to see adequate legislation in those fields covered by our debate tonight. We have heard suggestions made from all corners of the House. I think hon. members should take a sober second look at what they are asking, and make a clear decision as to whether they want legislation to solve our problems, or whether they want an election. If we want an election, reason will not prevail and conditions will not improve. There are many members of this House who sincerely believe legislation can be drafted which will go a long way toward solving some of our problems. These problems are not insurmountable. Some members believe they may be doing our civil servants a favour by giving them two or three weeks within which they may be able to bring forth the type of legislation needed.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, as I rise to take part in this emergency debate, I see that the time is getting on toward three o'clock in the morning. I am pleased to note there are still some interested and charming spectators in the gallery.

I listened very carefully to the Minister of Finance (Mr. Turner) contribute to this debate, and I have come to the conclusion that the language he has used is incomprehensible to the ordinary citizen. It is time to demystify some of his high-sounding financial phrases, as they mean nothing to the ordinary, honest, dedicated person in this country. The minister's proposals are calculated to sweeten the mood of the people, but it is doubtful if they will do this, let alone do what is really needed.

Cost of Living

The people of western Canada know that in 1963 big sales of wheat were made to Russia and China which was paid for in gold and silver. The Russians paid for that grain in gold at the rate of $35 to $37 an ounce. They are now buying grain with gold at a value of $100 an ounce. This grain can be paid for with three plane loads of gold bullion shipped from Russia to London. The price of our commodity has not gone up that much, but the value of our dollar has gone down. The farmers and ranchers in western Canada know that our dollar has been devalued 40 per cent in relation to the yen and 30 per cent in relation to the Deutschmark. When they realize that we have devalued up to 40 per cent in terms of the currency of our trading partners, is it any wonder that our feed grains and beef prices have gone up?

Currency values play as important a role in respect of farm prices as does supply and demand, but they represent a longer term price stimulus. The minister made much about encouraging an increase in the supply of agricultural products, but it is well known in western Canada that forces have been used to stop farm production. The extent of production is much less than the farmers are capable of producing. Let me refer to the Montreal *Gazette* of August 11 which states:

> In the mid 60's the federal government pushed dairy farming as the specialization. Within 10 years, all but a couple of dairy farmers in the Hudson area, 30 miles west of Montreal, were closed down by the cost of equipment health inspectors forced them to buy.
>
> "I gave up" said Davidson.

We have seen the federal government put export controls on our rapeseed crop, a crop which receives absolutely no competition from the United States. We ended up this crop year with a carry-over of some 25 million bushels of rapeseed, yet many feed lots in my area are empty. Cattlemen are confused and disillusioned at a time when they should be going for broke with every possible assistance from the government. It is time the government woke up to the potential of our agricultural industry. This should be one of our nation's major growth industries in this decade, the largest sectors being livestock and grain.

This government receives over $1 per bushel on the effort that goes into the production, harvesting and marketing of wheat. This government is giving $4 million to the province of Saskatchewan under a crop insurance plan, and the Minister of Agriculture (Mr. Whelan) has criticized us for holding up this measure. He claims it is a big deal, but the federal contribution is less than one per cent of what it receives from the industry.

The agricultural proposals made by this government are about as imaginative, exciting and dramatic as watching the grass grow. As the Canadian farm population declines, the political force in this government against higher farm prices grows. This government wants to reform our basic system and turn the Canadian agricultural industry into a public utility controlled by bureaucrats. We are seeing policies imposed by stealth, when what we need is more discussion on options available to producers. We are not taking advantage of the technology available to the agricultural industry, and there is no incentive to do so. Our policies are short-range with little or no long-term thinking.

[Mr. Hamilton (Swift Current-Maple Creek).]

● (0250)

The greatest problem, I suspect, in respect of wheat in particular is that it has been responding to short-term pressures. It is not a matter of hindsight that we face but a serious food shortage around the world in 1973. This was predicted in 1967 by concerned and very knowledgeable people. There must be a complete turn-around in our federal agricultural policy.

We need a new program, a rebuilding, and possibly a new homesteading act. I think most of the problems of the big cities could be solved through better use of our rural areas. With regard to inflation and the rising cost of living, we have arrived at a situation where the government is just standing still.

Mr. Ken Hurlburt (Lethbridge): Mr. Speaker, it is a pleasure to enter this debate. I think it is only fair to notify my colleagues of the reason I am here, and the only reason: it is because concerned people in my constituency, free enterprising people, have become fed-up with the bureaucracy that has been running our country for the past 10 years. They feel that governments should advise, administer and direct, and not take on the managerial role. I think it would be only fair to advise my colleagues of the practical experience I have had in the livestock and in the auction business. I wish some of my colleagues on the other side of the House would come into our country and familiarize themselves with our type of operation. If they did so, they might have a better understanding of the situation.

An hon. Member: Perhaps we would not be very welcome out there.

Mr. Hurlburt: You would be welcome. I recognize there are two official languages, but in our business we have a language of our own. In our business, if some of the cows in a cow herd are not producing, we get rid of them for whatever can be obtained for them. I think that has been one of the contributing factors in respect of the high cost of living today—we cannot get rid of the non-producers.

With your permission, Mr. Speaker, perhaps I might tell you what would happen in our country. If after a study of the Prime Minister (Mr. Trudeau) we found that his father was a very great man and that his mother was a fabulous lady, but that for some reason or other the progeny of these two great people had not produced, we would get rid of them at any cost, that is, the progeny of this great sire and dam who did not produce and attracted other people who did not produce who, in the interim period, attracted the members of the New Democratic Party. We would take any price. The auctioneer would say, "I'm bid $20 for 109 Liberal non-producers. Will anyone bid me $25? I'm bid $25 with 31 NDP thrown in. Do I hear $30? Sold, 140 non-producers for $25."

Mr. Speaker, during my first year in the House of Commons, representing the constituency of Lethbridge, I have found it sad to see our party's attempts to give the Canadian people a better deal frustrated at every move by the NDP leader and his party. It is no wonder that our leader contends today that there are not three opposition parties opposing the government as they are supposed to

do but, rather, a government and two opposition parties opposing the Progressive Conservatives.

Why does the NDP insist on supporting the Liberal government and neglecting its role as an opposition party? Quite a few western NDP members do not try to hide the reason. They frankly point out that so far as western Canada is concerned, the opposition comes from the revitalized Conservatives. With only seven out of the 68 western seats being held by the Liberals, the NDP feel threatened by the Conservatives and hope to stall off an election as long as possible.

My good friend Jed Baldwin, the MP for Peace River, has pointed out that Mr. Lewis and his men will huff and puff but will never bring the House down.

The Acting Speaker (Mr. Laniel): Order, please. Perhaps it is late, but I think I should remind the hon. member that it is not permitted in this House to identify hon. members by other than their constituency or their function in this House. I think we should follow, although it is a late hour, the rules and procedures that have been followed in past years in this House.

Mr. Hurlburt: Thank you, Mr. Speaker. I assure you it will never happen again. The hon. member for York South (Mr. Lewis) may join the Liberals, but other NDP members, most of them from Alberta, are starting to feel the heat. The Prime Minister announced a so-called three-prong attack on inflation which turned out to be a three-pronged attack on the west. He placed controls on beef exports. He placed a ceiling on wheat prices, and the incentive to explore for oil by our entrepreneurs has come under heavy criticism. The Progressive Conservatives, with whom I am proud to be associated, have a policy which would attack inflation but which would not backfire on western Canada. As NDP members feel the criticism coming on stronger, perhaps they too will start thinking about the people who elected them.

So far as I am concerned, the largest contributing factor so far as inflation is concerned has been the government and its administration. As I look back, I recall that the sheepmen in western Canada were selling lambs for 18 cents a pound. There was no subsidy on wool, but the government at that time would not step in and place a floor on prices. Instead, the government allowed New Zealand and Australian lamb to come in until all the sheepmen had to disperse their herds, with the consequence that the price of imported lamb continued to rise and is still rising.

As I look back at the livestock industry, I recall that the previous minister of agriculture spent time trying to sell the Prime Minister to the west when he should have been trying to sell the west to the Prime Minister. Time was wasted in the fight on Bill C-176. However, the people of western Canada are very thankful for the few strong Conservative members who were here at that time to see that the bill did not go through.

The same applies to the hog business. When the prices of hogs were low, no floor prices were established. The western farmer feels it would have been far more economical for the Canadian government to have supported a few producers, because there are far more consumers than producers in this country.

● (0300)

Another reason for the inflation we have today, in the opinion of people in the west, is that this country is in need of salemen to beat the bushes of the world and sell our produce. In 1970 we had the Lift program and much of our land was taken out of production. Had we had a government which was in tune with the rest of the world—they could see what was happening in Russia, the drought conditions that prevailed; they could watch other nations becoming more affluent and they could see that our agricultural products would be in demand all over the world—and looked into the future with a long-range plan, we would not be in the position in which we find ourselves today.

The first speech which I made in the House concerned trucking. I think our transportation system has contributed to the rise in prices because we have not allowed any competition for the railways. Hon. members know as well as I do that the railway cars travelling to eastern Canada with livestock go back empty, and the grain cars travelling to eastern Canada also go back empty. If trucks were allowed to compete with the railways, you can rest assured that individual operators would be hauling produce both ways, and as a result the price would go down.

Another factor contributing to inflation is the fact that the government does not recognize agriculture as an industry. In my constituency, private enterprisers have established large plants and have financed them. This government has made large loans to American-owned firms under the DREE program, thus creating competition for our companies. The same is true in respect of another manufacturing firm: a $640,000 grant under the DREE program was provided, $440,000 from the IDB, $200,000 from another department—and 30 days after this deal was made, the firm was sold to an American company. I believe that this type of thing has definitely contributed to the inflation we are experiencing today.

So far as oil is concerned, the members of the party to my left have been criticizing large corporations, but I am afraid of what will happen if we do not allow such corporations to continue developing our natural resources, opportunity only knocks once. I also feel that another factor contributing to inflation is the absolute lack of long-term financing for the farmer. If we are to produce food cheaper, we must give him the same type of financing that we give to people in other industries.

When I say that people on the land have experienced two wars, you might say, "So did many of us." But in many cases the women were left at home on the farms. The went through the depression, plus the inflation we have today. At that time there were no work stoppages and no strikes; only a determined effort to win. All they ask for is the right to fail or the right to succeed. I think they deserve this right. If we want our food costs reduced, I beg this House to be ever mindful of the importance of agriculture. As our urban centres grow and we have representation according to population, we will find that the majority of votes will be centered in the urban communities. But I feel we should always remember that agriculture is the "number one" industry in this nation and our farmers deserve every consideration we can give them.

Cost of Living

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, yesterday afternoon I listened with a great deal of interest to the contribution of the Minister of Agriculture (Mr. Whelan) to this debate. While it is difficult at this hour of three o'clock in the morning to make a fresh or wide awake contribution, I appreciate having had the opportunity and the time, since the speech of the minsiter, to sort out and categorize some of the individuals and groups whom the minister yesterday afternoon, as indeed he has on previous occasions, blamed for the uncontrolled inflation in Canada.

I hasten to add that the list is by no means exhaustive and is in no particular order of priority, which is of course entirely in keeping with the policy of this minister and this government of having no priorities whatsoever. This is the list of people whom the minister blames for inflation: first are the people who throw away food; second, restaurants which throw away food; third, newspapers which create an atmosphere of inflation; fourth, rip-offs by unscrupulous packers, millers and bread manufacturers; fifth, people who buy freezers, especially those who have three or four freezers; six, unwarranted gangsters. I am not sure what is the difference between unwarranted gangsters and any other type of gangsters, but I am only using the minister's words. This is the minister's description, and this is how he described this group on the CTV "Question Period" of August 4, and I quote him very carefully:

> The bastards that are raising the price (of beef) 40 cents and 50 cents a pound.

The seventh group is speculators who are having a field day. The eighth group—and again I will quote the minister on the CTV "Question Period"—he described as follows:

> Weston's or those big companies that have got control of manufacturing, processing and bakeries in Canada that can just about damn well do what they want.

The ninth group is unions who shut down the railways. The tenth group is hog producers who accept $64 per hundredweight for their product. The eleventh is the United States of America. The twelfth is Japan. The thirteenth is Argentina. The fourteenth is the economists and professors who should be on welfare. The fifteenth group is the minister's own advisers. On the previously mentioned CTV national program he described his advisers in the following way:

> They don't know a damn thing about consumers and they don't know a damn thing about farmers.

The sixteenth group is the marketing boards which take unwarranted rip-offs, and the final, seventeenth group—I presume the last, but by no means the least in the minister's opinion—is the opposition parties in this House.

● (0310)

The Minister of Agriculture (Mr. Whelan) speaks often, and we always receive from his department transcripts of or notes for his speeches. He often speaks in a humorous vein, which we all enjoy, but the humour becomes somewhat galling and the laughter hollow. There may be some substance or some reason to blame, to some degree or another, any or all of these 17 groups I have listed and others I have failed to list. But the tragedy is this, Mr. Speaker—and the humour and the laughter stop at this point—that once the minister casts the blame, he stops. There is no follow-up; there is no action; there are no recommendations; there are no priorities; there is no thrust; there is no interest.

[Mr. Hurlburt.]

What, if anything, does the Minister of Agriculture propose to do about his "unwarranted gangsters"? What, if anything, does he propose to do about Weston's or other big companies? What, if anything, does he propose to do about unscrupulous packers, millers and bread manufacturers? What, if anything, does he propose to do about speculators having a field day? What, if anything, does he propose to do about his own advisers who, in his own words, "don't know a damn thing about consumers and don't know a damn thing about farmers"?

There is one particular matter about which it is impossible for me and others to remain silent. This afternoon both the Minister of Finance (Mr. Turner) and the Minister of Agriculture pointed with great pride to their legislation dealing with capital gains tax and the family farm. This is not only humorless; it is sheer hypocrisy. In his original budget the Minister of Finance sold the Canadian farmer down the river, and the Minister of Agriculture went right down the same river but, sadly enough, didn't know he was on a trip. I challenge either one or both of these ministers to deny that had it not been for speaker after speaker from the opposition parties, the necessary admendments to cure this folly would never have been made.

The Minister of Finance did not know what he was doing. The Minister of Agriculture did not know he was doing it. The entire Liberal caucus, with the possible exception of the hon. member for Bruce (Mr. Whicher), did not care. And exactly the same thing happened with the retroactive capital gains taxation of farm marketing quotas. The Minister of Agriculture, instead of blaming opposition members for delaying, obstructing or filibustering, should thank his lucky stars that we bailed him out of these mistakes. This afternoon he said that the government could do better for the farmers if the opposition parties would help. Heaven would have to help the farmers if it were not for the opposition parties, Mr. Speaker.

Does the Minister of Agriculture think for one minute that we in the opposition are not alarmed by the cabinet's indifference to agricultural problems? Over and over again we hear from the minister that our problem is related to farm productivity, but at the same time he was strangely silent when imports of hatching eggs from the United States increased 30 per cent to 40 per cent this year at prices well below our farmers' costs of production. What has the minister said to or on behalf of hog breeders whose input costs are leading them to slaughter their breeding stock?

In fact I have yet to hear of one statement of the minister's that would give one glimmer of hope to the farmers as the biggest single consumer group in Canada. He has said nothing about energy costs, transportation costs, fuel costs, labour costs, or indeed about the whole range of input costs. It would seem to me, Mr. Speaker, singularly inappropriate in these times for the Minster of Agriculture to cast the blame for inflation wildly in all directions but at the same time to remain mute when

positive action and positive proposals are his responsibility as a trustee for Canadian farmers.

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, at this early hour of 3.15 a.m. the time for partisan politics should come to an end. We have gone far enough. We cannot afford the luxury of party lines on an issue adversely affecting every Canadian. At this time I personally do not care who is in power. What I do care about is that the government in power, whichever it may be, take effective action in curbing this unacceptable and drastic inflationary trend.

However, it is clear that the Liberal government, which happens to be the government at this time even though the average Canadian may rightly think there is no government at all in Canada, is not able to make decisions for the long-term good of the country and is ruling from crisis to crisis, ever fearful of recrimination from the NDP. It is in fact, Mr. Speaker, a government afraid to take a stand, afraid to offer constructive suggestions lest they offend members of the NDP. Even according to the words of a former Liberal finance minister, Walter Gordon:

> The role of the Liberal party should be, not just to go along with the New Democratic Party to ensure its temporary support, but to supplant it as a practical progressive alternative to the status quo.

If the country is to survive the present economic crisis which faces it, it must be led by a man who is not afraid to take bold new steps in an all-out war against inflation. It must be led by a man who recognizes that the bankrupt policies of the Minister of Finance (Mr. Turner), which sunk the country into an economic abyss in 1969-70, are no longer acceptable to the Canadian people.

Just as the government was unable to settle the rail strike which it had been given at least seven months to do, once again it has become more than obvious that it is unable to control the cost of living. It is not difficult to criticize the record of the Liberal administration. Nor is it difficult to observe the problems we are facing today. They are both painfully obvious to every Canadian.

As in 1969, interest rates began to rise, as did unemployment. The latest increase in the prime lending rate, the fifth this year, is a classic example of the first steps toward massive unemployment. With the prime lending rate increased, it is only a matter of time for this to be reflected in higher interest rates on consumer loans, higher rates on mortgages and higher costs in housing. The steps which will follow are ones with which we are well familiar and yet go unheeded by the Minister of Finance who insists on taking this course which can only lead to further economic problems compounding the already critical situation.

In the past we have witnessed an attempt to fight inflation with mass unemployment. The hardships that were encountered by hundreds of thousands of Canadians made this price unacceptable. Yet we stand here watching the same government making the same mistake. Housing is already priced beyond the means of nearly every Canadian. The current increase in interest rates will only make mortgages more expensive and will further tax the ability of Canadians to pay the already staggering usury rates.

Can the government not see that when the demand for housing decreases, thousands and thousands of contractors across the country are affected? Can the government not see that the suppliers of the materials used in housing will be affected right across the country? Can it not see that the effect in this one area alone will result in a widespread reduction in the sales of every commodity in this country? Here I am taking only one small area of the economy, the area of housing.

What about the resulting effect on our automobile makers who will not have the market to sell their new cars? What about the service industries tha will not have the customers to maintain their businesses? There is no area of business nor is there any Canadian who can escape the penalty which will be imposed by this one move alone. Can the government be so blind as not to be able to look ahead at this one problem, or is its memory so short that it has failed to consider what happened in 1969-70? The Liberal government tried to deal with this problem in those years by the traditional, classic methods of high interest rates, tight money and restrictions on expenditures. As we can remember, these policies were to bring on a recession and high levels of unemployment.

● (0320)

Mr. Speaker, the Conservative party has been under continued criticism from both the Liberals and the New Democrats since this government was elected in October of last year. The reason for this is obvious. We have been the only party to offer constructive alternatives to deal with this problem, while the "crisis" Liberals and the "We'll go along with it" New Democrats have hidden their heads in the sand or have offered pious platitudes to the people of this country.

Well, Mr. Speaker, people of this country are fed-up with inaction, they are fed-up with lack of leadership and they are fed-up with two-faced, double-talk from the leader of the New Democratic Party (Mr. Lewis). The hon. member for York South cries at the injustices, shouts at the shortcomings, threatens to the press, excites the people—and then bows humbly to the whim of the Liberal government.

Mr. Knowles (Winnipeg North Centre): If this is a Conservative non-partisan speaker, I wonder what a partisan speaker would say.

Mr. Jelinek: I see the hon. member for Winnipeg North Centre (Mr. Knowles) is getting a little anxious about some of my remarks, but I shall continue because my time is limited.

Mr. Speaker, let us examine briefly how the Liberal administration has constantly laughed and shrugged off the suggestions by the hon. Leader of the Opposition (Mr. Stanfield). In May of 1972, the government refused this party's suggestion to raise the old age security payments to compensate pensioners for the already rising cost of living. Last February, the same government repented and raised the old age security payments by roughly the amount implied in our leader's suggestions. Again last summer, the Minister of Finance (Mr. Turner) ridiculed this party's proposal that income tax be indexed to the cost of living. The minister replied that it would be unique

in all the world, it would add immense complexities to the income tax and it would render federal-provincial fiscal arrangements chaotic. Last February the same minister adopted this very proposal with the audacity of making it appear as though it were his own proposal, claiming it to be a bold and sensitive response to a rather fundamental tax problem.

Again, Mr. Speaker, during the last election campaign the same Minister of Finance branded this party's proposals to reduce tax and increase expenditures as a prescription for putting Canada into bankruptcy. Last February, in his budget, the same minister brought forward substantial increases in government expenditures with the promise of tax cuts in the order of 12 to 13 per cent. And again last summer, the government was warned of high unemployment during the winter months and suggested an immediate consultation with the provinces in setting up winter works programs. Lost in the magic fairy tales and the glowing predictions of the Minister of Finance, the Liberal government is waiting until December to initiate this program. Needless to say, because of the last minute desperation, the program did little to alleviate the critical unemployment situation, and vast amounts of moneys were wasted.

In addition, manufacturing firms were promised income tax reductions which took 13 months to legislate into legality. We waited two years for the competition act scheduled to replace the Combines Investigation Act. This is hardly a glowing example of Liberal leadership. Again, Mr. Speaker, the government's Unemployment Insurance Act ran $1.5 billion in debt and was claimed by this government to be the most enlightened unemployment insurance legislation on the face of the earth. Then, following its near defeat at the polls, this enlightened legislation was withdrawn indefinitely and the Minister of Manpower and Immigration (Mr. Andras) was sacrificed as a scapegoat.

Mr. Speaker, obviously the Liberal government has time after time accepted the policies of the Progressive Conservative party. As I stated at the outset, it is time to put partisan politics aside and for the government now in power to accept the concept of wage and price controls for the benefit of all Canadians and to forget about appeasing the New Democratic Party.

Liberal policies are riddled with inconsistency upon inconsistency. While voicing concern for the small businessman, the government increases the tax on 90 per cent of them by 7 per cent. While the government urges all sectors of the economy to curb inflationary spending, it continues to disregard its own advice by embarking upon a program of government expenditure unparalleled in the history of any country in the world. In the area of government salary administration alone, in the last 10 years the number of people making the equivalent of $20,000 a year has doubled. Quite simply, if the government itself is not able to control spending effectively in its own department, it certainly cannot be expected to control spending in other sectors of the economy.

Mr. Speaker, while the Prime Minister (Mr. Trudeau) and the Minister of Finance, with the approval of the leader of the New Democratic Party (Mr. Lewis), scorn controls of the economy, they actually introduced controls on gas, milk and bread. Selective controls simply do not work. What is good for one industry must be good for all industries. It is inconceivable that the administration expects the Canadian people to follow the double-talk and double standards of the Liberal government.

The wage and price control program placed before the Canadian people by this party warrants more than a shrug of the shoulders by the Prime Minister and a declaration by the Minister of Finance that it is a world problem and there is nothing we can do about it. Constant reference is made by critics of the Conservative program by reference to phase 3 of the United States economic program. What is given little consideration is that during phase 1 and phase 2 of that program, inflation in the United States had been reduced to an annual rate of 3.7 per cent, and the accelerating trend in wage increases was not only arrested but was slightly reversed. In addition, unemployment decreased from 6.1 per cent in August of 1971 to 5 per cent in January of 1973. All in all, a most enviable record considering our own cost of living and unemployment record.

Mr. Speaker, it is not sufficient, in the wake of this most serious problem of runaway inflation, for any government to sit back and abdicate authority for action. It is particularly indefensible for the Liberal government to do so when so many Canadians favour controls to stabilize the economy. For too long we have faced incredible rises in the cost of food. We have watched housing climb out of reach for most Canadians. We are facing a dramatic increase in clothing prices. We have seen transportation costs rise, with predictions from the chief executive officer of Air Canada of more to follow.

We have watched virtually every commodity reach record highs, and we have watched it happen in a relatively short period of time. We have seen the government attempt makeshift policies. We have seen a band-aid approach when major surgery is required. For months this party has done everything possible to encourage the government to act effectively in implementing any program that might curb this cancerous infection of our economy. The Food Prices Review Board has been a farce from the outset and has been used by the government as a smokescreen and a cover-up for its own ineffectiveness and its own fear of upsetting its thin balance of power. Even the chairman of the Food Prices Review Board has been critical of the government's action in the handling of spiralling food costs. Mr. Speaker, the latest increase in family allowance has already been more than eaten up by the pressures of inflation, and by the time the projected increase for January of next year becomes a reality, not only will it represent less purchasing power but it will also be subject to taxation.

In a search for money for giveaway programs, in a search for funds for make-work projects and in a search for new sources of revenue, the Minister of Finance has left no stone unturned and has virtually succeeded in reducing Canadian initiative to an all-time low.

Mr. Speaker, the government can no longer afford to ignore the statistics pointing to an even greater increase in the cost of living. It can afford, however, to ignore the whimpering and whining of the New Democrats and to heed the cries of the nation for action now.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. There are a number of hon. members seeking the floor and they will be recognized, of course. Would the hon. member kindly resume his seat? I think I owe it to hon. members to indicate that the Chair has felt it incumbent to bring to the attention of the Sergeant-at-Arms and the Clerk of the House that the staff of the House which has been here since nine o'clock yesterday morning should be given an opportunity to go home because they will be called upon to return here at nine o'clock this morning. The restaurant has been closed as of 3.30 this morning, and the reading room has been closed.

● (0330)

From now, hon. members are on their own. I bring this to the attention of the handful of members still here.

Mr. Knowles (Winnipeg North Centre): How about sending the *Hansard* staff home, too?

Mr. Speaker: Of course, the Chair is here to listen to hon. members who want to continue without the staff of the House of Commons.

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, despite the critical nature of the topic we are debating, one has to feel that this debate could be described as a form of mental masturbation; that is, satisfying but fruitless. Regardless of what is said in this debate, the result is going to be nil. The government is not going to do anything about inflation beyond the package of palliatives it has offered the country as a means of at least dulling the pain of inflation it is enduring. One of the reasons is not simply the intransigence of the government in its thinking, but also the fact that ironically the government cannot eliminate inflation because it needs inflation. Strangely, the government has a necessity for that which it professes to be counter-attacking. It needs inflation in the economy because it needs inflation in its revenue, and its revenue feeds upon an inflationary economy.

One of the strange facts of the government today is that it has built up such an inflated bureaucracy that it has a vested interest in inflation. When we speak of the cost of living, we are inclined to speak of rises in the prices of food, housing and the like. However, one of the major increases in the cost of living is the cost of government. The cost of the federal government has doubled since the year 1968 when the present administration took office. This growth has to continue. It is not something that has persisted just since 1968 and might very well stop now. It has to continue because of the built-in thrust and force that are part of the bureaucratic structure. This body the government has created is almost like a Frankensteinian monster.

The Minister of Finance (Mr. Turner) can say as he did in his budget speech of February 19 this year, that the government is determined to impose restraints on its own spending to avoid aggravating inflation. The fact is that the very nature of the government's program as developed over the years requires it to continue growing because of the built-in increments in salary scales, especially at the top level, that of themselves are forces for government growth and budgetary growth. For example, in the bureaucracy the government has developed in Canada we have the impressive and sad fact that the number of public servants in the scientific, executive and professional categories has increased by 23 per cent in the past three years.

Consequently, we have a sort of top-heavy structure by which thousands of public servants are earning $20,000 a year or more.

In the Treasury Board Department in 1963 there were 150 public servants earning that salary. Today there are 319. In the Department of Finance ten years ago there was one. Now there are 80. In the Department of National Health and Welfare in 1963, 282 public servants were earning that salary. Today there are 508. In the Post Office 10 years ago, there were none. Now there are 146. In the Department of Agriculture there were none. Now there are 360.

In the armed forces, with a total strength of 82,000 at the start of this year, there were 110 generals. Canada had more generals than Kentucky had colonels. Indeed, we are the most "general-ized" armed force in the world. When you look over the rank structure of the armed forced you find that almost no one has the rank of private. It is a real distinction to be a private in the Canadian armed forces. It is for these reasons that Senator Arthur Laing, formerly of this government, said the senior civil service is overpaid and underworked. If people knew of the wild extravagances in the government and in the senior public service, there would be a hanging on Parliament Hill. Of course, capital punishment has been abolished—perhaps for that good reason.

We have a government built-in force for inflation. Just as the proverb states the appetite increases with eating, so the government's dependency upon inflation will increase. The serious side of this is that it prevents the government from doing anything for the people. For example, the government ought to move in the direction of helping people who are finding it difficult to obtain houses, or to carry the houses they have purchased. One reason the government cannot and will not do that is because of its great hunger for more and more revenue to feed this extraordinary bureaucracy which it has built up.

The government ought to eliminate the sales tax on building materials. The 11 per cent sales tax now adds something in the neighbourhood of $2,000 to the cost of an ordinary urban home. The fact is the governnent has a vested interest in this inflation. The more the cost of building materials increases, the more the government's revenue from this tax source increases.

The government ought to help the income tax payer who is striving to have a home of his own by recognizing the interest on his house mortgage as a deductible item from his taxable income. In the past few months interest rates have gone up two points. I called three mortgage companies in Toronto in the last two days and found that one cannot get a mortgage in Toronto under 10½ per cent. In only March of this year 8¾ per cent was considered in the housing industry to be a high rate—but not now.

Therefore, on an ordinary mortgage such as $35,000, increases in the interest rate mean you have to add a carrying cost in the first year of something like $700. That kind of burden has been put upon the shoulders of the ordinary people trying to buy family homes. It has been

tolerated by this government. In fact, it has been encouraged by this government through its co-operation with the fiscal policies of the Bank of Canada.

The least the government could do would be to help these people to allow all or part of the interest to be deducted from taxable income. The government will not do that. The government has no intention of helping the taxpayer in that way because it needs this increased revenue: it has its own vested interest in inflation. The government is guilty of that which it is supposed to be opposing. It is one of the inflationary forces in this country. The people of this country must be conscious of the fact that inflation is something imposed upon them, not only by the big corporations or this or that interest but by a government that is supposed to be looking after the interests of the people.

● (0340)

It is for this reason an increasing number of Canadians are conscious that they need a change in government, that nothing else will do if the major difficulties facing them are to be solved. The Gallup poll has shown that a majority of Canadians favour Progressive Conservative policy on economic stabilization. We have heard from such a riding as Stormont-Dundas that over 80 per cent of the people there favour price and wage controls. In a survey I undertook in Scarborough East, I found that 81 per cent favoured the program for which my party stands. The majority of Canadians, according to the Gallup poll, are not satisfied with the way in which the government is handling the economic situation.

It is clear to the people that they need a new government and that they need a party such as the Progressive Conservative party with a positive and constructive program. It has been clear throughout this debate that the real leadership in economic thinking and policy is coming from the party on this side of the House. Already what purports to be the government party is acting and speaking like an opposition party.

Throughout the debate, which has now persisted for more than eight hours, spokesmen for the government, such as they have been, have not advocated their policies or advanced any proposals; they have acted like an opposition party, attacking the policies we have put forward. So it is clear that economic leadership and constructive social thinking is coming from the Conservative party, and it is equally clear that as soon as the people have an opportunity to make a decision at the polls, government will be entrusted to the party to which I belong.

Mr. Harry Olaussen (Coast Chilcotin): Mr. Speaker, I have been sitting here for a couple of hours listening to the speeches made on this subject, and it occurs to me that each and every one of those taking part in the debate has a solution to the dilemma the country is facing. The fact remains that the Canadian people want action. It is action they want. It is action they must get. It is about time we began to implement some of the suggestions which have been made here tonight. We would like to see the government do something about them and see that vigorous measures are taken to cope with the high cost of living.

[Mr. Stackhouse.]

Back in 1970, the president of the Toronto-Dominion Bank said comprehensive wage and price controls had no proven value in reducing or eliminating inflation and would be impossible to impose effectively. Experience in the United States and Great Britain has shown that wage and price controls are no answer to inflation. In spite of this fact, we find the Conservatives still proposing a bankrupt policy.

For years we in this party have been asking for the establishment of a prices review board which would be empowered to investigate questionable price increases and which would call manufacturers before it to justify price boosts, particularly those applying to household necessities. Prior to the last election such an appeal was rebuffed by both Liberal and Tory parties.

The economics of food are most vague and complicated. They start with the people who supply the farmers, and end with the consumer. A calculation of how the system works is an exercise in hocus-pocus because the essential figures are simply not available. There are reams of statistics on the farmer as a collective entity, and even a few on the give and take of the chain stores, but what the middle stretch is between the farmer and the consumer is curiously absent from official records. The fundamental question which must be asked in relation to the economics of food prices is: Who controls food prices, and how?

This is where the review board could enter the picture, if we had a prices review board which would do the job effectively. What amazes me is that under our free enterprise system we should encounter so much talk about comprehensive controls, especially from those who believe so strongly in the free enterprise system. The New Democratic Party has long contended that the country must have a planned economy as well as greater Canadian control over that economy in order to achieve economic stability. We cannot operate wage and price controls under the system which prevails right now. It would not be feasible.

We find ourselves victims of a world wide economic imbalance and our concern is to find the best way of dealing with it. According to many economists, inflation is a permanent part of our economic future. It is for us to deal with it as best we can, and it is for this reason we want the government to take the kind of action which will benefit all those Canadians who are anxiously waiting for firm and constructive measures to be produced.

The Acting Speaker (Mr. Laniel): Order. I regret I must interrupt the hon. member but the time allotted to him has just expired.

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, I have listened with interest all this long evening to what I would call a diatribe. With all respect to what has been said, we are here at a late hour to attempt to deal with inflation within this country. What I have heard so far has not, really, contributed very much to that end, and I include what has been said by two or three members opposite. The paucity of their numbers is an indication of the seriousness with which they regard what is going on in the country. They just don't give a damn, if I may use unparliamentary language. They do not know what we really mean by price and wage controls or the stabilization

we wish to bring about so that equilibrium can be re-established. This is what our party is trying to say, but members opposite just ignore it, and do so most successfully, in their own minds, at least.

I am reminded of some words by H. G. Wells which have always impressed me.

Mr. Benjamin: Another socialist.

Mr. Morgan: I do not know whether they will impress hon. members to my left or across the way. I would remind them that the true strength of rulers and empires depends not on their armies but on the belief held by all men that they are equal when it comes to their truthfullness and their position before the law. As soon as the government disregards this standard they are as nothing, as a gang with no response and their days are truly numbered. I suggest this is happening to the government now, and its days are truly numbered.

● (0350)

Where is the equality today? There is no equality between the rich and the poor; they are separated more and more. With high interest rates, the poor get poorer and the rich get richer. There is no truthfulness in what the government says because they are bankrupt of ideas. The hon. member for Verdun (Mr. Mackasey) asked, where are our ideas? Had he deigned to sit here and listen tonight he would have heard many ideas that he could have taken back to the Prime Minister (Mr. Trudeau) that he chooses to criticize.

Hon. members talk about legality. They do things that are not in the interests of the public; therefore I say that is illegal and dishonest. The hon. member for Kenora-Rainy River (Mr. Reid), had he sat here tonight would have heard new ideas; but he is not here now. He said we had no new ideas to offer. He could not have heard the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) or, if he did, he did not listen. He could not have listened to the hon. member for Don Valley (Mr. Gillies) who had some new ideas and approaches.

I will tell hon. members what can be done, and I will name them 1, 2, 3, 4 and 5. First, the Canadian dollar must be put up. If you float it down with the U.S. dollar it causes more inflation; there is no way around that. We cannot compete with West Germany and Japan with our dollar floating downward by 40 per cent as it did in the last year. What does putting our Canadian dollar up do?

Mr. Benjamin: It will make it go down.

Mr. Morgan: Let me tell my economic expert down on the left what will happen. You will then be able to buy more cheaply from other countries in the world. We import most of our manufactured goods and a lot of foods. What we pay for food in this country is where the crunch comes, because most of our food is imported. Put up the price of the Canadian and U.S. dollar and those foodstuffs come down in relative terms.

What is the price we pay on the other side? If my hon. friend down the way wants to ask me something, he can ask me a question in a moment. The price is that it costs us more to export. But what are our exports? We export extractive goods basically, and they come back to us as manufactured goods. That is the simple truth of our economy.

Mr. Benjamin: Who made it that way?

Mr. Morgan: Neither the hon. member nor I was here, so I do not know why he is asking me the question.

Mr. Benjamin: Well, what are you going to do about it?

Mr. Morgan: I will tell the hon. member, if he chooses to listen. The point is that if your extractive goods are exported at a little higher price, so what? The world needs them. We can use the extra dollars we earn by exporting more of our materials at a higher price on other things. Then when we import these materials back, they will cost us less.

If you ask me how we correct the situation, I will tell you. Do not just give a 9 per cent blanket, off the top corporate tax reduction; you do it on a percentage basis. The more goods you export from secondary industry, the more your taxes come down on a percentage basis. The more you export, the less corporate tax will be paid. This will make the extractive industries set up secondary manufacturing industries in this country and we will gain both ways. Goods will be manufactured here, we will not have to export at high prices and we will have given secondary industry an incentive to manufacture in Canada.

Mr. Foster: What is your second point?

Mr. Morgan: It is the third one, if you do not mind my arithmetic. The second shot from the same bow is that you do the same thing for employment. You do not do what the people across the way have done, and that is to hope—and it is wishful thinking which has not been realized—that by recapitalizing you cut down employment and therefore reduce the corporate tax structure. I am suggesting that the proper approach should be that by increasing employment, corporate taxation is reduced and you give them incentive to increase not only their exports but employment opportunities. We will then see the economy of this country expanding and we will not have to worry about foreign takeovers.

Some hon. members are always talking about foreign takeovers. I remind hon. members to my left that when they talk about foreign takeovers they are talking about a Canadian sell-out. This is what we have to stop. A foreigner cannot take over unless a Canadian sells out. Fundamentally, this is what we are talking about. What makes a Canadian sell out to a foreigner? It is because the tax structure of this country is so stupid, awkward and ridiculous.

Mr. Benjamin: They are out to make a fast buck.

Mr. Morgan: The hon. member may think so, but unless we want to nationalize every industry and corporation in this country, this is what we are faced with. I suggest it is impossible to do this. You have to make the economy of the country work in such a way that you encourage Canadians to invest in Canada. Our ratio of savings to

credit is 49.2 per cent, the highest of any industrial nation of the western world.

What does this fact say about Canadians? That we are scared? That we will not invest in ourselves? It is time we began to have confidence and courage. But we cannot so long as people across the way will not give encouragement but keep inflation at so high a level that it does not pay anybody to invest in this country. The thing to do is to make our taxation policy such that there is some *raison d'être* for a Canadian to invest in Canada. We also need a complete review of our taxation policies so there is no division between the upper and lower income groups.

● (0400)

When we consider the fact that we provide welfare for people with incomes of less than $4,000, with the income tax rate being about $350, how silly can we be as legislators? This really does not make sense. We know what it costs to feed a family but our income tax system is not related to that in any way.

For those who are asking for numbers, the fourth thing a government must do in order to survive—and I am sure this one will not—is revise our taxation policy. The housing situation was described adequately by the hon. member for Calgary North (Mr. Woolliams) and I need not remind hon. members about it. In the province of Ontario alone we are going to require one million housing units in the next ten years. At this time, one family in six has inadequate housing as a result of this government raising the interest rates to such a level that the average person cannot buy a home. This government must do two things: it must provide funds for land banks so that building lots will be cheaper and it must provide the money required to put in the services to those building lots. I suggest this is the way to solve the housing problem and the way to bring down interest rates.

In closing, let me just say that while I was on a plane coming from Toronto to Ottawa I amused myself by making up a little limerick which suits this occasion quite adequately. The limerick is this:

The Prime Minister must be put aside,
Like the man who fell down a backhouse and died,
And with Lewis as a lover,
They can follow one another,

And they can both be interred side by side.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, when I put my name up for nomination they did not tell me things would be like this, or that I might be speaking at four o'clock in the morning. Be that as it may, there has been much said today on the subject of inflation; we have heard a great deal from all sides. I must explain that I am in a rather odd position in that the chief heckler of the NDP sits very close to me. I expect he will continue to heckle me, and I accept that.

An hon. Member: We are going to support you.

Mr. Kempling: I see that the hon. member for Sarnia-Lambton (Mr. Cullen) has returned and I appreciate seeing him here. We have heard the Leader of the Opposition (Mr. Stanfield) set forth the position of our party, and others have expanded on our wage and price control policy. The Minister of Finance (Mr. Turner) gave us his usual statistical reply, most of which we have heard previously.

One of the ridiculous aspects of this debate is the position of the NDP. As one of their members said to me, the NDP is in the best position in that it has power without responsibility. What a statement that is, particularly when they stand before the national press and in this parliament and take credit for any popular position the government adopts, saying they are responsible for this, that and the other policy. Then they admit that they have the best of two worlds, they have power without responsibility. That is the most irresponsible statement I have heard from anyone since coming to this House a short while ago.

We have heard the NDP criticize our incomes policy but we have heard very little from that party except the same old socialist gush they have pumped out over the years.

An hon. Member: Swill.

Mr. Kempling: Yes, whatever you want to call it. Members of the NDP scream, yell and jump up and down in their customary orgy of self-righteousness about the economic management of Canada. The fact is that the policies the NDP recommend would bankrupt this country and cripple the industrial potential of Canada—and they know it. We are in the claws of the Liberals, and the NDP support them. That is where we find ourselves now. Any party that accepts the philosophy that it has power without responsibility is not capable of putting forth any economic plan which would allow Canada to reach its potential.

The NDP represents 16 per cent of the voters of this country, and they have no representation from anywhere east of the Ontario border. They have no representative in parliament from Quebec, no one from New Brunswick, Nova Scotia, Prince Edward Island or Newfoundland, and they have no representative from Alberta. That party represents only four of the ten provinces of Canada. It is a most ridiculous situation in Canada when a handful of members who represent 16 per cent of the people who voted in the last election find themselves in the position of propping up the government which clearly, by example, is incapable of managing the economy of this country. Clearly, the only way to resolve this situation is to dissolve parliament and let the only real judges we have, the people of Canada, decide the issue before us tonight.

The hon. member for Assiniboia (Mr. Knight) made reference to what he felt would be dire results if an election were called. He felt inflation would get out of hand. We have had all kinds of elections in this country in previous years when prices and conditions were something other than favourable. The election last year was held at a time of very high unemployment. If we followed the hon. member's logic, we would never change the government. I suggest that each government changes as a result of some kind of price situation. So much for the NDP. The members of that party exist in a desert, they are all dried up, they are wandering leaderless. They have so little in the way of policy that they must tag along with the government and take credit for whatever government policy they can hang on to, particularly those they think

will attract public attention. They are intellectually dishonest as a political party.

My main concern, Mr. Speaker, is for the small businessmen of this country and the increasing cost of money available to them. It is not enough to say that those borrowing less than $200,000 will get a preferred interest rate at the bank. This is part of the problem which small businessmen face. Another problem faced by these people since 1969, at least for five years, is the stop-and-go policy of the government as far as monetary and fiscal policy is concerned. I can understand the government's lack of concern in respect of this matter. I think there are only two or three businessmen sitting on the government benches who understand the position of the small businessman.

How can the government continue to talk about expanding the economy while frustrating the small businessman year after year? Surely the government must realize that the average small businessman does not want grants, gifts or managerial aid from the government. He wants to be able to go to his bank and borrow money at a reasonable rate. He wants to be able to plan for expansion with money at a cost that is equitable, just and reasonable. The small businessman wants to fulfil his expectations. He wants to develop his business on the basis of his own judgment, not on the basis of stop-and-go policies of this government.

Why is the bank rate at the present level? The government has said it has not adopted a tight money policy, yet we see the rate of inflation increasing at the same time as the money supply is decreasing. The government has indicated that it allowed the bank rate to increase in order to keep some relationship between the Canadian and the United States rate. What the government did not say is that a handful of large multinational corporations elected to utilize fully their lines of credit and transferred the funds to the United States. This government's answer was to raise the bank rate to deter this transfer of funds at a lower rate to the United States. Of course, this had the desired result but it also raised the bank rate for all Canadians.

• (0410)

The hon. member for Don Valley (Mr. Gillies) asked the Minister of Finance if he would consider an interest equalization tax rather than raise the bank rate. Of course, the minister answered that no such consideration was part of the government's economic plan. We are now locked into this policy and as the bank rate in the United States goes up, our rate marches up with it.

An hon. Member: What else is new?

Mr. Kempling: Well, I just said that we suggested, through the hon. member for Don Valley, that the government institute an interest equalization tax. The idea, of course, would be that there would be a differential between the rate in the two countries. Why should we have a high rate and they have a high rate? We are not saying that a freeze or wage and price controls is a panacea for inflation.

Some hon. Members: Hear, hear!

Mr. Kempling: There are certain things which always attract attention. If one mentions the word "pensions," hon. gentlemen come alive. If one mentions wage and price controls, they also come alive.

An hon. Member: What about panacea?

Mr. Kempling: I do not even know if I have spelled it correctly in my notes: it looks like "pancreas". We hear from the government and the NDP that wage and price controls did not work, but privately the heads of our chartered banks admit that phase one and phase two of the United States program worked well, and they know that eventually we will come to wage and price controls in Canada.

The stop-and-go policy toward our industrial development is so damaging to our small and secondary industries that they will never expand or reach the potential they are entitled to achieve. I have been in management positions with several small companies and have gone through the disheartening exercise of planning an expansion of a business only to find we could not obtain money at a reasonable rate because of the monetary and fiscal policies of this government.

But aside from the frustration of not being able to fulfil the potential of various endeavours, we have seen prices escalate beyond all reason. We now see the beginning of a picture that we hope is false. We see the beginning of rising unemployment and an accelerated inflationary spiral. This frightens me. I think the present government has had a fair chance to take the situation in hand. Since 1968 it has moved from one crisis to another, and I believe we should now move to bring this matter before the bar of the people of Canada. Let the people of Canada decide. We are sure they will decide wisely. We are sure they will choose a new government formed by the Progressive Conservative party.

Mr. Jake Epp (Provencher): Mr. Speaker, there are a few thoughts I wish to place on the record in respect of the question of inflation. Before I start on the specifics, however, I think it behooves all members of the House to clearly look at the position of their party as well as their individual position in relation to the economic situation that is coming about. They should do so, not as members of parliament but to some extent as citizens of Canada. This is a matter which, regardless of our political stripe, we must tackle collectively.

As I look at the operation of the government and the opposition parties, I notice that the government has gone through various stages—a stage, first of all, in which the minister in charge of the Canadian Wheat Board (Mr. Lang) announced the program. Since that time I have detected an air of desperation and possibly signs of a government struggling to once again regain initiative. It is a very simple fact that a government struggling to regain the initiative is reacting in a defensive way and is not in an offensive position in bringing in legislation and being in the forefront. In that case it should take a keen look at itself to see whether it is doing the job it should be doing and fulfilling its responsibility. So at this point we must look at the government's policy in respect of inflation and what positive effect that policy will have in the long term.

I should like to deal with some of the specifics of the Prime Minister's statement. One concerns the matter of the subsidy on milling wheat for domestic purposes. The Prime Minister (Mr. Trudeau) stated that the floor price would be $3.25. He stated that the price to the Canadian wheat producer for the roughly 10 per cent of our wheat production which goes into domestic milling would be $3.25 plus $1.25, or a total of $4.50. Then, when the minister in charge of the Wheat Board arrived in Winnipeg, he added another 50 cents to bring it to $5. On September 11 the minister made an effort to clarify that statement. I am attempting to show that the government, in attempting to regain the initiative, actually lost it. It made the statement and then added confusion to confusion. The government, as the right hon. gentleman for Prince Albert (Mr. Diefenbaker) said, tried to explain the unexplainable.

On September 11 the minister circulated a statement to all members of the House outlining the program. In this statement it was mentioned that under the new two-price program, which is to be effective immediately, the government's contribution would be paid directly to the Canadian Wheat Board, the producers, and so on. The next day, September 12, I phoned the Canadian Wheat Board. The reason I did so is that in my constituency there is a relatively small milling concern which is important to the area. I was asked by representatives of that firm what price they would have to pay for Canadian milling wheat. They did not know because they had phoned the Canadian Wheat Board and were told that the board did not know. They were asked to phone again the next day. This is the result of the confusion and the loss of initiative by this government. This government should not attempt, by ad hoc statements, to fill in the gap and shore up the dike. It should come up with a policy that is clear and workable, and defend it. That is the role of the government.

● (0420)

On September 12 I phoned the Canadian Wheat Board and they gave me the international price for No. 1 Canadian red spring wheat and the different protein percentages, as well as the domestic price, which was $1 less. This was a day after the minister had made a statement to explain the unexplainable. But the Canadian Wheat Board still was not selling at that price. In fact, it was not even selling at the increase of 25 cents, much less at the increase of 50 cents.

This is what I mean by confusion. At that time the Canadian Wheat Board said the price was $3.25. There is a minister in the House who is responsible for the Canadian Wheat Board, and yet there is such confusion. What happened beyond that point? I telephoned the Canadian Wheat Board today and asked them today's price for domestic milling wheat and for Canadian No. 1 red spring wheat, generally the most common milling wheat. It was $3.25 to the domestic miller. However, I was left with the impression, and I am sure so was the press and most hon. members, that that was the top price. But no, 14½ per cent wheat was selling today at $3.33 to the Canadian miller. What policy are we following? To what are we reacting?

An hon. Member: What are you complaining about?

[Mr. Epp.]

Mr. Epp: I am complaining not only about the fact that the Canadian wheat farmer has to subsidize the Canadian consumer, but also—here I am coming back to my basic premise—that the government has mismanaged its affairs to such a degree that it has multiplied this confusion. Today, in an editorial in the Winnipeg *Free Press*, which I understand was started by Sir Clifford Sifton who was minister of the interior some time back at the time when Prime Minister Laurier was in office, this fine Grit paper stated that the government has put its head in the sand hoping that the storm will pass before they know what is happening. That is the reaction today. I submit that the government has lost its will to govern. They enjoy being where they are, but they do not want to take the responsibility of governing, and that means working out policies.

What is needed to fight inflation in so far as the farming economy is concerned is one of my principal concerns tonight. What I would like to point out is this. I believe that a number of members of the House have the impression that farmers are now getting the highest price they have ever received in the history of this country, and that therefore they must be making a lot of money. It is true that prices for farm products are at an all-time high. But today, if you go into ridings in western Canada, you find that due to the spiralling costs of production, and despite the high prices of products, many farmers are no better off than they were when their products were selling at a more reasonable price and their cost of production was at a more reasonable level.

They are now taking a much larger risk and they are worried that the price of their product will drop suddenly while the cost of production will not drop as rapidly. They will then be in trouble. Not only that, but capitalization on farming today is at an all-time high, such as we have never seen before. Many farmers have to capitalize at 10 per cent. We talk about inflation and about the high cost of food, but let us look at it realistically. The reason for the high cost of production is inflation, and there are no benefactors. It is true that many farmers today are in a better cash position than they were a few years back, from 1969 to 1971, but in the long run they are not in a much better financial position despite what people may say. We hear a lot about the rising cost of food, but unfortunately we hear nothing about the other costs that go into the production of food.

Mr. Caccia: That is what the Minister of Agriculture (Mr. Whelan) has been telling you all the time.

Mr. Nowlan: What he is telling us depends on the phases of the moon.

Mr. Epp: I do not mind hon. members opposite interjecting and saying that the Minister of Agriculture has been saying this, because in my previous remark I said that farmers are receiving the highest prices ever. But you cannot look at prices alone; you have to look at the profit margin. You could be paying $10 for a dozen eggs, but if the cost of production is $9.99 all you are doing is fooling yourself.

It is interesting to note—going back to the statement made by the Prime Minister—that the NDP support this farming policy. In fact, they almost act as if they had come

up with a four-point program, as was mentioned by a member of their party today, that the government had adopted two of the points already and that if they keep on pushing the government will adopt more so it is really an NDP program. The minister of agriculture of Manitoba said about this program:

> The federal government did absolutely nothing when farmers went through a depression in 1967 to 1971 but now it is jumping to respond to consumer complaints about high food prices.
>
> Now that the farmers, for the first time in five years, see a little bit of daylight in catching up in the payment of their bills, hoping to get their feet on the ground again, we seem to be responding to another pressure group that suggests that something should be done about food prices.

I suggest to members of the NDP that they had better get back home to find out what their supporters are saying. They are condemning the agricultural program that was announced by the Prime Minister for not being sufficient. Members of the NDP should check whether or not the rank and file in their party are agreeing with what they are doing.

Obviously, inflation is hitting many groups. We have talked about old age pensioners in relation to the indexing of the old age pension plan. The fact remains that inflation is affecting old age pensioners most because they have a meagre nest-egg—some capital that they were able to scrounge together during the period when they worked. To them that was security. Today that security is gone, or is worth very little as compared with its value at the time that money was earned and put away in savings. This is the cruelty of inflation.

With regard to regional disparity, I believe the Prime Minister's statement and the so-called attack on inflation was largely directed at attempting to obtain raw materials from western Canada at a price which the consumer would feel did not reflect an increase. I do not believe people in any one area of Canada or any one economic sector of Canada should be asked to bear the brunt of inflation.

● (0430)

Just as is the case with the farmer right now, with regard to milling wheat we are talking about 10 per cent—

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

Mr. Kenneth J. Higson (Lincoln): Mr. Speaker, the reason for the continuation of the debate at this hour of 4.30 in the morning is that this country is in a critical situation and the government, with its supporters to the left, is in a state of political prostration, unable or unwilling to cope with the economic problems that beset us or even to try to cope with the crisis in which we find ourselves.

Last January and during the few months thereafter the Leader of the Opposition (Mr. Stanfield) was accused of being too thirsty for power and the opposition was considered to be too anxious to take over the reins of government. Mr. Speaker, if ever there was a thirst for power or a desperate hunger for control of government, it is that which we see manifested by the present government and its New Democratic Party supporters.

It was once said that war was too serious a business to be left to the generals. I suggest that the economic destiny of this nation is too serious a business to be left to this Liberal-Socialist coalition of politicians. It is incredible that a minority party, having only one-ninth or one-eighth of the total seats in the House and only 17 per cent or 18 per cent of the popular vote in the election last October, should be in a position to perpetuate the life of an incompetent government by receiving tidbits of legislation in return for its support, thus compromising the principles of two political parties. I am happy that the opposition party of which I am a member is not a party to this type of activity.

This morning the nation is faced with a further increase in the cost of living of 1.3 per cent for the month of August, which is the highest monthly increase since March of 1951. Food is up by 3.2 per cent, for a total cumulative increase of almost 16 per cent during the last 12-month period. And the Prime Minister (Mr. Trudeau) has the audacity to tell us that it was, in effect, in anticipation of the increased consumer price index that this announcement was made to this House last September 4. That type of political fancy footwork might be swallowed by the government supporters but it will not be accepted or believed by the people from where I come.

The real motivation and purpose of that announcement was an attempt to make it appear to the Canadian people that the government, really bereft of original thought, was doing something to solve the economic mess that has been allowed to continue too long, and at the same time throw crumbs to the New Democratic Party in order to maintain itself as the government. I am not saying that the steps announced by the Prime Minister were wrong, although some—like the subsidy to wheat, and the oil pipeline to Montreal—in the light of subsequent announcements have proven somewhat confusing, which only manifests once again the ad hoc and butterfly-thinking of the government.

To be sure, legislation to increase pensions and family allowance assistance to those Canadians on fixed or low incomes and thus feel the real brunt of the government's ineptitude are steps in the right direction, as are subsidies to the milk and wheat producers, although subsidies do not control prices but merely spread the burden. And I, for one, would like to see all of Canada's social assistance legislation reviewed, in genuine co-operation with the provinces and the municipalities, so that effective and curative programs could be brought down to assist effectively Canada's economically deprived, instead of perpetuating a system that for too long has been overlooked.

But the announcement of the Prime Minister to which I referred a moment ago really does nothing to solve the real problem. To our already inflation-prone economy has been added a powerful catalyst with the inflationary expectations of our people. Prices have been rising for so long that people expect they will continue to rise, and thus act accordingly. Unions demand raises above increases in productivity in order to compensate their members for expected price increases. They are able to receive these increases, firstly because they hold monopolistic power,

and, secondly because management, also suffering under similar inflationary expectations, is not too unwilling to accommodate the unions in their demands. Thus, costs and consequently prices do increase, and these expectations are vindicated in a perpetual motion forever upward.

At some time, Mr. Speaker, someone has to come to grips with this scramble where everyone is trying to stay ahead or just to keep up with the ever-spiralling rate of inflation. Our party has proposed an economic stabilization program as an attempt to contain inflation and at the same time to not jeopardize economic growth. Such a proposal is met with jeers, derision and taunts from the government and its supporters who say it won't work and suggest it has not worked in the United States or Great Britain. On that last point I suggest that hon. members should look again at the experience of our sister nations. Although, certainly, perfection has not been achieved in those two countries, they have been able to control food costs in the last 12-month period better than we have done in Canada, as well as the over-all inflationary rate in the United States. We have not said that this is the cure-all or great panacea for Canada's economic ills. Such a program must be accompanied by sound fiscal policy and would incorporate policies relating to mortgages rates, food prices, old age pensions and labour-management bargaining. And most important of all, we must control government spending.

It is incredible that the government should have increased expenditures from some $10½ billion for the year 1967-68 to an estimated $19½ billion for the current fiscal year, an average increase of 7 per cent during the last seven years. The other day the hon. member for York South (Mr. Lewis) commented that it was interesting to note that small "c" conservative governments had implemented price and wage controls in the United Kingdom and the United States. Naturally, I attach a different connotation to this from that of the hon. member for York South. I, as a Conservative, do not look forward with anticipation to a further intrusion by government into the private sector of the economy. Nor did Mr. Heath. Nor did President Nixon. But, Mr. Speaker, our nation's economy is in a desperate situation and we in this party alone have the courage and the conviction to do something about the situation here in Canada.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. Standing Order 2(1) reads:

> The House shall meet on Mondays, Tuesdays, Wednesdays and Thursdays at 2.00 o'clock p.m. and on Fridays at 11 o'clock a.m. unless otherwise provided by standing or special order of this House.

Standing Order 42(1) reads:

> Forty-eight hours' notice shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any committee, or for placing a question on the order paper; but this rule shall not apply to bills after their introduction, or to private bills, or to the times of meeting or adjournment of the House.

● (0440)

Mr. Speaker, in view of the hour, and in particular in view of what these hours mean to the staff—not to the members, because there are not many members here—I wonder if it would not be possible, under the two Standing Orders I have just cited, to ask the House for an order, with unanimous consent, that the sitting of this House for Friday, September 14, commence at two o'clock.

[Mr. Higson.]

I am not trying to cut off tonight's debate. I do not know any way to do that, or I would try. It seems to me, for the reasons I have given, that the House might be doing the decent thing not to sit until two o'clock this afternoon. Though Standing Order 2(1) requires you to take the chair at eleven o'clock on Friday mornings, it seems to me this could be set aside by special order of the House.

I suggest that under Standing Order 42(1) a motion having to do with the time of meeting of the House does not require 48 hours' notice. I would be prepared to write out a motion, but if there is unanimous consent perhaps there could be a House order.

Some hon. Members: Agreed.

Mr. Bell: Mr. Speaker, we saw the hon. member for Winnipeg North Centre (Mr. Knowles) fingering his Standing Orders, and wondered what he was about. To us this seems a very good idea. It seems to be in order, and we support it wholeheartedly. We feel very guilty as far as the staff is concerned, although we feel we are carrying out our duty as far as the debate is concerned. If there could be some agreement for a two o'clock sitting, it would certainly meet with our approval.

Mr. Speaker: I appreciate the point which has been made by the hon. member for Winnipeg North Centre (Mr. Knowles) and the point made by the hon. member who has just spoken, but the difficulty which the Chair faces at the moment is that there is not a quorum in the House. I wonder whether the Chair should feel authorized to accept an order which is offered at 4.45 in the morning without a quorum.

Perhaps earlier this evening some hon. members should have pointed to the fact that there was not a quorum and there should have been an adjournment then. That is my difficulty. Perhaps hon. members might comment on this point, that is, whether it is in order for a House that sits at 4.45 in the morning without a quorum to decide whether we ought to sit at eleven o'clock on Friday morning, according to Standing Orders.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I do not want to be difficult, but it seems to me if there is not a quorum then the House should adjourn. However, I sense that even while you have been making this comment a few members have come in and there may now be 20 of us.

An hon. Member: Twenty-one.

Mr. Knowles (Winnipeg North Centre): Well, we have grown up. I believe the number now exceeds 20, which is a quorum. Perhaps in those circumstances—

Mr. La Salle: Because you have an independent.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Perhaps in the circumstances Your Honour would accept my proposal.

Mr. Speaker: Order, please. At 4.45 in the morning it seems to me, speaking as a humble individual, that a more rational proposition would have been that we adjourn. The hon. member's proposition is that we assume we are continuing with the debate and that we resume our sitting at two o'clock this afternoon. Do I understand this to be the hon. member's proposition?

Mr. Knowles (Winnipeg North Centre): It is, Mr. Speaker. It would be my preference that we adjourn, but I know of no way that we can do it unless there is not a quorum. I hope that if we do accept the proposition to start Friday's sitting at two o'clock in the afternoon, even so we will bring this sitting to a close as soon as we can.

Mr. Bell: In expressing agreement with the two o'clock sitting I might say that we have two speeches to hear. As far as we are concerned, this would be the extent of our participation in the remaining part of the debate.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, to my mind, all parliamentarians, the staff of the House of Commons, as well as the Chair have shown much good will and energy by working till 4.45 a.m.

In any event, I would not like to object to our pursuing our work, but I would like us to respect the schedule established for Friday when we normally sit at 11 o'clock. I would very much like us to respect it so that no one is forced to work at night, under the pretext that we can start later.

For my part, all my life, when I have had to work late at night, it did not keep me from rising early in the morning.

I acquired that habit. I am quite willing to continue to do so, even as a parliamentarian. I am ready to continue our sitting and would very much appreciate it if our schedule for Friday were not altered, when we normally sit at 11 a.m.

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

Mr. Speaker: I would be happy to hear the hon. member for Joliette (Mr. La Salle) who, in view of the responsibilities he has assumed tonight, has acquired a very special wisdom.

Mr. La Salle: Mr. Speaker, I imagine that, with the co-operation of all hon. members, I should thank the Chair for having invited me to sit as Acting Speaker for an hour.

This was a great honour for me and I think that my constituents will greatly appreciate it.

Now I would like to co-operate will all the party representatives so that the House may sit tomorrow at 11 a.m. or 2 p.m. as the case may be, but I shall certainly be in my usual place to see to the interests of my constituents, Mr. Speaker.

Mr. Speaker: I must consider the views expressed by the hon. members who took part in the discussion concerning the point of order raised by the hon. member for Winnipeg North Centre (Mr. Knowles). The hon. member for Bellechasse has suggested that the House should sit at 11 a.m. as provided by our Standing Orders—

[*English*]

I doubt very much that without unanimous consent it would be within the power of the Chair to determine that we would meet at two o'clock in the afternoon rather than eleven in the morning. I would assume that a motion to that effect would have to be made, seconded, the question put and perhaps the bells rung. I am not sure whether we would not wake the rest of the citizenry if we rang the bells at five o'clock in the morning.

In view of the comments submitted by the hon. member for Bellechasse (Mr. Lambert) I wonder if we could not agree that we will continue this very interesting debate in the very few minutes that are left of it, as I understand from what was said by the hon. member for Saint John-Lancaster (Mr. Bell), and meet at eleven o'clock in the forenoon. Again, I am in the hands of the House.

Mr. Nowlan: On the same point of order, Mr. Speaker, the hon. member for Bellechasse (Mr. Lambert) could fit the act of the possible with that which should be practical. In this sense he could still conform to his natural habit of rising early and carrying on his duties as a member of parliament, attending at his office and doing those duties that a member does, while we give the staff a much needed break. It is a break which they deserve, because while members have been coming and going to this chamber, the staff has been here constantly.

In that way there would be no conflict with anybody's discipline or duties. I, too, rise early and will be doing something early this morning besides participating in this debate. I hope the hon. member will consider that suggestion.

● (0450)

Mr. Speaker: I believe the hon. member for Winnipeg North Centre (Mr. Knowles) is rising on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, under the terms of Standing Order 42(1), I believe I can move a motion that the sitting of this House on Friday, September 14, 1973, commence at two o'clock p.m. I would be prepared to do so. I gather the hon. member for Saint John-Lancaster (Mr. Bell) will second the motion. However, there is not much point in doing that if it is going to be debated and results in calling in the members for a vote.

I wonder if I can join the hon. member for Annapolis Valley (Mr. Nowlan) and simply appeal to my good friend, the hon. member for Bellechasse (Mr. Lambert) to make it unanimous. The point is well taken that we should be on the job in the morning, but can we not make it unanimous, for the sake of the staff, and agree that we meet tomorrow afternoon at two o'clock, rather than making a motion and going through the formality I have mentioned?

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, as a result of the representations which have just been made by my colleagues of the Progressive Conservative party and the New Democratic Party and considering the work and the burden laid down on the staff of the House as well as on the Chair, I am quite ready to reconsider my position and to accede to the request which has just been made to alter

our agenda. As usual, I like to co-operate with all my colleagues. As for the proposal, I find it logical and valid. Owing to the hour—it is five o'clock in the morning—I think that I should accede to that request and readily accept a change in our agenda so that we would sit at 2 p.m. I agree and accept that proposal.

[*English*]

Mr. Knowles (Winnipeg North Centre): In light of that, Mr. Speaker, perhaps the simplest thing for me to do is present the motion I suggested a moment ago. I therefore move the following, seconded by the hon. member for Saint John-Lancaster (Mr. Bell) and supported by the hon. member for Algoma (Mr. Foster), the hon. member for Joliette (Mr. La Salle) and the hon. member for Bellechasse (Mr. Lambert):

That the sitting of this House on Friday, September 14, 1973, commence at two o'clock p.m.

Mr. Speaker: Order, please. I have some doubt as to whether the Chair is in a position to accept the motion presented by the hon. member for Winnipeg North Centre (Mr. Knowles). There is a motion now before the House that we adjourn. I gather there are a number of hon. members who want to speak to this motion. The hon. member rose, took the floor and intervened on a point of order. It does not give him the right to propose a motion such as this.

Even if it is five o'clock in the morning, the Chair has the responsibility to be very close to Beauchesne, Bourinot, May and other authorities, to be mindful of the Standing Orders and to remind the hon. member for Winnipeg North Centre that a motion cannot be proposed such as this one, on a point of order. I gather from what the hon. member for Saint John-Lancaster (Mr. Bell) indicated a moment ago, there are other speakers on the motion. I have to recognize them at the present time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, is it not possible for the House to do things by unanimous consent? The proposal I make is, not that we adjourn now until two o'clock but that when we adjourn the next session will not start until two. If it is unanimous, is Your Honour not protected?

Mr. Speaker: We would first have to agree that the hon. member for Winnipeg North Centre is allowed, by unanimous consent, to make a motion on a point of order. I will inquire whether there is unanimous consent on this.

Some hon. Members: Agreed.

Mr. Speaker: By consent, Mr. Knowles, seconded by Mr. Bell, moves:

That the sitting of this House on Friday, September 14, 1973, commence at two o'clock p.m.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion (Mr. Knowles, Winnipeg North Centre) agreed to.

Mr. Speaker: Perhaps on my own point of order I might suggest that whips and representatives in the House might advise hon. members who are not here. A few of their colleagues are not in the House at the present time, and they should be advised they are not expected to be here at eleven in the forenoon. I am suspicious that some of our distinguished colleagues, such as the right hon. member for Prince Albert (Mr. Diefenbaker) and others, will be here at eleven in the morning. The hon. member for Winnipeg North Centre will be here unless otherwise advised.

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, I do not know whether to take it as a compliment or not, but it strikes me as somewhat ominous that just before I should be given the opportunity to speak there should be the sudden outburst of unanimity among all parties that the House is going to require a rest following the debate this morning.

We are now approaching the hour of 5 a.m. and I rise with a mixture of feelings, as I am sure other hon. members have in this debate. First, I have the very natural feeling of being tired, as this debate has been prolonged long into the night. At the same time, I have a sense of exhilaration in being able to participate in this debate and to listen to the speeches of my colleagues. I have a sense of honour that every member feels in having the opportunity of addressing the House of Commons. Balanced with that feeling I have a sense of disappointment that there may be some futility to the debate in which we are participating.

That sense of honour is supplemented by the fact I have been able to join with my colleagues in the Progressive Conservative party, which provided the impetus for this debate and followed through with the majority of speeches, while on the government side we have seen lackluster representation and minimal participation. Toward this debate there was almost total ignorance and apathy on the part of ministers of the Crown. Those feelings extend further to the entire purpose of this debate and perhaps beyond that to the entire purpose of why we are assembled in this chamber, what it is we are attempting to do and are summoned here to do.

We all know that if we take it on the surface, this House is meeting tonight because Mr. Speaker accepted the emergency debate proposal put forward yesterday afternoon by the Leader of the Opposition (Mr. Stanfield) in view of the very serious circumstances facing this nation. We are also aware this House would not be sitting if it were the choice of the government. However, circumstances intervened to force the recall of this House when the Minister of Labour (Mr. Munro) and others in the government failed to settle the railway strike. Once the government was forced to recall parliament, we on this side made it very clear that in discharging our responsibility to the people of Canada we had no intention of leaving here before pressing the government with every means at our disposal to at long last take some action with regard to inflation or, the term which I prefer, to the rising cost of living.

● (0500)

If I might continue to deal further with these feelings, any member of the House who is aware of the commitment he holds, not only to the constituency he represents but to the nation as a whole, is constantly reminded that we in Canada are many times kept together not so much by the positive things we share but by the common difficulties

we face and the differences we seek to overcome through mutual co-operation. For any member of parliament who has spent time in his constituency, clearly the greatest danger which unites all Canadians at this time is that presented by the rising cost of living coupled with inaction on the part of the government.

Having returned to my constituency, I know this is the chief concern among the people I have the honour to represent, and I would like to point out that I have the honour to represent a riding called Hamilton-Wentworth which many people assume from its name falls in its entirety within the city limits of the great city of Hamilton. It does not do so. Fifty per cent of the constituency in terms of voters does fall within the city, but it also extends to the suburbs and beyond that to farming areas. So in the constituency of Hamilton-Wentworth there is a tremendous cross-section of urban dwellers and those involved in the great industry of farming.

There is a common concern among all the people, whatever their occupation, whatever their background. Surely it is the cost of living, surely it is a growing sense of desperation that the cost of living continues to rise, perhaps even to the point at which it is getting out of control, while the present government does nothing about it. If responsibility rests with anyone, it must surely come down on the federal government in the first instance, which in addition to supposedly having the trust and the mandate of the Canadian people is also the nation's biggest single spender and one of the chief agents of inflation in the country today. But rather than provide the leadership one expects from a government, we heard today—or, rather, yesterday—in questioning in the House of Commons, the Prime Minister (Mr. Trudeau) assure us that the government has reacted to the situation which confronts us and will continue to react. It is not the purpose of government to react. The purpose of government is to lead. The government has failed miserably to discharge its responsibilities in that regard.

As I have said, in the constituency which I represent there is a vast cross-section and all those people are affected severely by the rising cost of living. On Monday last, when this party brought before the House of Commons a motion of non-confidence, the Leader of the Opposition expressed a feeling which I think is shared by many members. I should just like to quote the words of the Leader of the Opposition as they appear in *Hansard*. They affect those who are severely hit by inflation. He said:

> There are those in Canada who have no powerful trade union or trade associations, who have no levers to pull, who have no means of adjusting their incomes to meet their demands of an increase in prices and rates of interest. They are the great majority of working Canadians and their families.

The leader of my party went on to say:

> This government is not kept here by public confidence. It is not maintained in office by faith and trust in their policies. They are not kept here because events have proven them right in their judgments and in their management of the country's affairs. They are kept here for the political convenience of a group of members in this House. As long as they are here, members of the government will keep improvising policies of political convenience.

The Leader of the Opposition in those words expressed the frustration felt by an ever-growing segment of the Canadian population which must meet the cost of living and which does not have the means of assistance open to other segments of the population. That segment which bears the biggest share of the burden looks to the government and to the House of Commons for help and leadership, and because of the attitude taken by the government it is not only despondent and disillusioned,it is not only facing increasing economic difficulties, it is experiencing a loss of faith in the future of this country, which perhaps is the greatest tragedy of all.

If one considers this country in an over-all context,there really is no excuse for the situation we face today although the Minister of Finance (Mr. Turner) and the Prime Minister do their best to offer flippant and sometimes insulting excuses. The fact is that this nation, once the most vibrant of lands, offering challenges which no other nation could offer to a people, offering opportunities which no other generation and no other people could ever dream of, has now been crippled because its economy has stagnated under a government which insists on clinging to outdated, outmoded and irresponsible policies. Rather than providing leadership, the Prime Minister says we will react when it becomes necessary.

One of the most cruel ironies about the rise in the cost of living and the inaction on the part of the government is that the segment of the population to which the country owes so much is sometimes the most drastically affected. Of course, I am referring to Canada's senior citizens. In harsher times than I shall ever know and, pray God, that any other generation shall ever know, they served this nation through hard work, putting forward their best to develop a land based on the simple belief that through hard work they could better themselves and make life a bit better for those who would come after. For some of them, twice they were called to put their lives on the line for their country, and twice they responded. And today the senior citizens of Canada are almost neglected by the government except when public outrage forces the government to a trade-off on the basis of the minimum it can get by doing something for the maximum number of voters. Surely it is time for our senior citizens to stop being treated as political pawns and to start enjoying the type of life to which they are entitled, and time for some of us to attempt at least to repay the debt which perhaps none of us can ever really repay to them.

During this debate and during the past days in the House of Commons we have heard many speeches, but perhaps none has been as interesting or at least as challenging in trying to follow the logic of, and if one might be generous, the substance of those speeches delivered by members of the New Democratic Party in trying to justify their position. In particular there were diatribes emanating from the hon. member for York South (Mr. Lewis) who seems to get by with the over-all attitude of stating as eloquently and forthrightly as he is renowned to do, "Mr. Speaker, these are my principles, but if the government doesn't like them I have others".

● (0510)

The fact is that against the wishes of the government and the NDP there will come a time, under our democratic system, when the Canadian people will have an opportunity to express their opinion of what has taken place in terms of the economic mismanagement of this country. I

say to my colleagues in the NDP that they had better prepare themselves to be judged as accessories to the crime and accomplices to this incompetent government. For the simple fact is that when you review the economic situation of this country and hold it in sharp contrast with what the economic situation should be, you come to the very distinct and inevitable conclusion that the government opposite has had their chance and they have failed. Their failure in the last election will be reflected in the next; and it will also affect the outcome in so far as the NDP is concerned.

A number of statistics have been quoted in this debate. One of them which has been used most often, particularly by the media, is that this country has had the highest monthly jump in the cost of living since the Korean war of 22 years ago. It means—

The Acting Speaker (Mr. Laniel): Order. I must interrupt the hon. member, but the time allotted to him has expired.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, it was 13 hours ago that this debate on the cost of living and change in the interest rates began. Historically, and perhaps politically, 13 has been known to be an unlucky number. As people in the east are starting to rise and people in the far west are finding a deep sleep, and as we in this chamber in the centre of Canada sit in a sort of semi-stunned state at a quarter after five, I wonder what the soothsayer will say about this debate and what it will do, not for the fortunes of political parties in this House but for the people rising in the east and those in deep sleep in the west.

Although we do not know, what I think we have shown is that those who have participated in this 13-hour period in the 15 minutes allotted to them folowing the lead-off speakers have maintained a good debate. No matter how cynical and critical one can be, and often is, about the parliamentary process and/or members of parliament, no matter the expected interjections and at times frivolous comments which often stimulate debate, the tone, calibre and content of the speeches of all members has been such as to zone-in on this most serious topic that affects Canada. That is a credit to this institution and a reflection of the seriousness members of Her Majesty's Loyal Opposition feel about this subject.

Before I go further, as I wind up this debate I want to congratulate those who have participated. Many of us have sat here the full 13 hours. I also want to pay my respects and give thanks to those on the staff of the House who have been inconvenienced, who have obviously been a little upset and are tired, perhaps more tired than many members. I know many of them have been here longer than I and longer than I ever will be here, but going into long hours and calling elections at the wrong time—if there ever is a right time—does create personal inconvenience which, however, must take second place to the concern of members which they reflect here on behalf of Canadians from coast to coast.

The hon. member for Winnipeg North Centre (Mr. Knowles) raised a point of order a few minutes ago and mentioned that there was not a quorum. The number of members here consistently during these 13 hours has been as good as that of any Friday afternoon when debate terminates at five o'clock, which again is a reflection of how serious we view this subject. We thank the staff, but we also know the staff appreciates that all of us, either individually or collectively through our parties, try to do what we think is best for the general good, even if this causes personal inconvenience.

My time is limited, and after the harmony that brought us an adjournment till two o'clock on Friday, and having listened to all that has been said, I am not going to make a tub-thumping speech. But I should like to say that when I listened earlier in the day to the Minister of Finance (Mr. Turner) and the Minister of Agriculture (Mr. Whelan) I started to think that if I were up above and knew as little about the mythology of the land, how would I describe what has gone on in this chamber? I think I would say it must be the three brass monkeys' debate. We used to have a prince. We now seem to have chaos. The brass monkey is the government, and there he sits with his hands over his ears. He hears no evil, sees no evil, and he is so darned afraid to do anything that he does no evil except perpetuate the chaotic economic conditions we are facing today. I say that is not good enough.

Where was the brass monkey tonight, the former prince? Was he getting reannointed in the great chateau down below. Did he have his hands over his ears, not listening to the acclaim that might have been his had he carried out his mandate of May, 1968, which the people finally took away from him in a qualified fashion in 1972? No, Mr. Speaker, that brass monkey, the Prime Minister of this land, has maintained his consistent stance on economic policies. Given the constitution and given the culture he will wax philosophical, but given the cold economic facts he will sit uninvolved, unheard and he will become unconcerned. That is not good government, Mr. Speaker.

● (0520)

I could say more about that, but let us turn to our friends and colleagues to the far, far left. Many years ago when I was knee high to a grasshopper I was first exposed to a great gentleman named M. J. Coldwell. He spoke at my alma mater, Acadia University. At that time George Drew tried to rip the microphone out of his hand and suggested that because he belonged to a socialist party he had to belong to a national party, therefore he belonged to the national democratic socialist party, which happened to be the party in Germany at the time of Hitler. That caused a little scuffle on the platform, but M. J. Coldwell handled the situation well: he was a gentleman and a man of principle.

It is terribly sad that we are experiencing the uneconomic conditions which will cause those problems to which the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) referred earlier. The hon. member for don Valley (Mr. Gillies), in his enlightened address, suggested honestly that we are getting close to the brink. Where is that principle in that party which used to be the conscience of the land before it sold its conscience for a mess of pottage? It used to be the New Democratic Party but now "NDP" means "no damn principle party".

The leader of that party used to make fun during election campaigns about Tweedledum and Tweedledee, refer-

ring to the Conservatives and the Liberals. He would ask: Who is Tweedledum and who is Tweedledee? What do we have today? I suggest we still have Tweedledum, but now we just have "ho-hum" from that man who just huffs and puffs away.

We heard all about the corporate rip-off, and the leader of the NDP (Mr. Lewis) did well in a public way. He did not do too well at the polls, and I was not too displeased about that; but he is starting to raise this matter again. He cannot raise it again with the same credibility as before. With no concerted action from coast to coast, that party does not necessarily represent an attack against corporate rip-off that is being perpetrated as a result of this unholy alliance between two groups, neither of which received a majority, neither of which has a mandate and neither of which has a message for the people from coast to coast or a message for this House during this debate on economic policy.

We have heard many speeches during this debate. The two that stand out most in my mind are those of the hon. member for Don Valley and the hon. member for Qu'Appelle-Moose Mountain. I have heard the latter member speaking privately from behind the curtain and over coffee, when he sometimes can wax eloquently, bringing forth ideas like water flowing over a falls. Today, in respect of one of the most complicated subjects, I can say without equivocation that he spoke extremely eloquently. We know that no party has the full answer, but when the hon. member for Qu'Appelle-Moose Mountain spoke I know that members on the government benches listened to his views. Five of the ministers who were then present applauded that hon. member.

What can I say about the other speeches in the few minutes I have left at my disposal? The hon. member for Verdun (Mr. Mackasey) and the Minister of Finance (Mr. Turner) suggested that we should not wage this war on the backs of the poor. They said that was what happened in respect of unemployment, and they were not going to do that at this time. What is just as bad as unemployment? Let us consider the erosion of the frozen dollar of the pensioner, the dollar of the working poor, and inflation itself which eats away at these funds. Is that not just as bad a social disease as unemployment? I have in mind that euphemistic phrase, "You cannot wage war on the backs of the poor".

Hon. members on the government side suggest this is an international problem. Why does Sweden have interest rates of 4 per cent and 5 per cent, with deposit interest rates of 3 per cent and 4 per cent? I suggest it is because Sweden has given stable government and leadership in economic, fiscal and monetary matters. We in Canada have more natural resources than Sweden ever thought of having, yet we continually respond as do our friends to the south. We have not developed an independent stance and we have not attempted to develop independent policy.

The Minister of Finance talked about world shortages and the lack of production. He listed a host of palliatives used in an attempt to pump a little money into the economy, but he did not once mention the Lift program or the quota on eggs and milk which curtails production. These things have now come back home to haunt the government. With that host of palliatives and pills, with no prescription to cure the ills, one cannot help but wonder if that is not what the government should be doing to help the needy and aid the dispossessed and those who have been cut off from the mainstream of life.

Is it not the function of government to assist these needy people? Why should this government take false pride in what is a normal government function? This government suggests that its normal function of providing the pill or palliative is designed to arrest the disease. I suggest to you that the money we voted in respect of certain measures in the last week or so will amount to nothing more than wooden nickels or Monopoly money if the cancer of inflation is not arrested and cured within the next six months or a year. Anything we give these needy people will be eaten away in six months or a year, the way things are now going.

I could say much more on this subject, but in conclusion let me refer to the eloquent address of the hon. member for Hamilton-Wentworth (Mr. O'Sullivan). I could not begin to match his remarks. However, it does seem to me that the situation comes down to what he suggested. I wish some of the ministers who sit on the treasury benches were present, but it is kind of late and it is time to go home.

If this government has the will to govern, and that is a trite phrase or cliché, I suggest there is a fundamental difference between clinging to office and exercising power. There is nothing wrong with exercising power. The responsibility of a government is to exercise power on behalf of the people. Unfortunately, at this time in Canada we have a government headed by a Prime Minister (Mr. Trudeau) who has an instinct for survival in office but who has defaulted in the exercise of power. As the hon. member for Hamilton-Wentworth said, this is a government of react, recant and retreat—which is no substitute for initiative, imagination, energy and the exercise of power.

The Acting Speaker (Mr. Laniel): Order, please. Pursuant to section 13 of Standing Order 26, I am satisfied that the debate has now concluded. Perhaps we should say an evening or a morning prayer. I therefore declare the motion carried.

This House stands adjourned until two o'clock p.m. this date, pursuant to special order adopted earlier.

At 5.31 a.m. the House adjourned, until 2 p.m., pursuant to special order made this day.

HOUSE OF COMMONS

Friday, September 14, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

GRAIN

ANNOUNCEMENT RESPECTING 1973-74 FEED GRAINS PROGRAM

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would like to give members of parliament up to date information on the implementation of the 1973-74 feed grains program.

The 1973-74 feed grains program includes two main provisions:

1. The pricing of feed grains, moved from the Canadian Wheat Board area to other parts of Canada, based on off-board prices within the Wheat Board area.

2. Buying of feed grains by the Agricultural Products Board to provide a broader base and give more certainty to the off-board market within the Wheat Board area. This will ensure that no producer in the Wheat Board area will have to sell his grain at distress prices even if quotas are not immediately available to him in what he considers sufficient quantity.

The Canadian Livestock Feed Board is working with the Canadian Wheat Board to determine the level of off-board prices in order to arrive at the base price for sales to eastern Canada. The price quoted at Thunder Bay for eastern markets will be this base price plus costs such as handling, transportation and storage that are associated with having grain in market position.

Monitoring of off-board prices on the Prairies will be carried out by Agriculture Canada under the authority of the Agricultural Products Board Act. Survey results will be provided to the Wheat Board and the Livestock Feed Board for their use in determining the off-board price. The monitoring will include sales to feed mills, feed lots, and to larger livestock and poultry producers within the Wheat Board area.

In addition to continuing to offer grain as in the past, the Canadian Wheat Board has reinstituted a policy used occasionally in the past of offering feed grains on a deferred or provisional price basis. This means buyers can buy feed grains for later delivery at the Canadian Wheat Board domestic selling price in effect at the time of such delivery.

The first offering price of the Products Board will be announced within the next few days. Due to the build-up of grain stocks caused by the rail strike, actual purchasing by the Products Board will begin later this month. Thereafter the Canadian Wheat Board will be able to declare prevailing selling prices based on the monitoring of off-board prices.

The Agricultural Products Board purchase program will be operated through the Canadian Wheat Board and country elevators in the Prairies. Producers wishing to sell to the Products Board will deliver their grain in the same manner as if they were selling to the Wheat Board. They will receive a cash ticket as they do with Wheat Board purchases. The payment they receive, however, will be a final payment and will not entitle them to participation in the pool final payments.

Feed freight assistance will continue to apply during the year and the Canadian Livestock Feed Board will closely observe movement and pricing in eastern Canada.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, anyone familiar with the grain industry is well aware that there have been many communications between the Premier of the province of Quebec and the right hon. Prime Minister of Canada (Mr. Trudeau). I want to quote from one letter addressed to the Prime Minister of Canada which reads in part as follows:

> The damage to Quebec farmers caused by Canadian Wheat Board policies is now universally recognized. It has actually created the situation you are familiar with both for the Quebec government and for the farm organizations from whom you have often received numerous representations.
>
> Moreover, you recently acknowledged those representations by officially and publicly pledging to produce a final solution to the feed grain problem before August 1, 1973.

● (1410)

It is now September 14 and from one end of Canada to the other there is confusion not only in the feed grain industry but in the entire Canadian grain industry.

Some hon. Members: Hear, hear!

Mr. Hamilton (Swift Current-Maple Creek): We have this government establishing initial prices on western grain under which there is a return of some $2 a bushel to the producer. The Canadian Wheat Board is selling that same milling wheat for $5.65 a bushel and the same durum wheat for $9 a bushel on the export market. As I said, the farmer gets $2 per bushel.

We have a program in the grain industry being imposed by stealth. What the farmers want are more options, and what we on this side of the House want is more opportunity to debate those options.

Some hon. Members: Hear, hear!

Mr. Hamilton (Swift Current-Maple Creek): What this announcement means is that we will now have a group of civil servants setting prices for western feed grains. I see

this as just another step toward turning the Canadian agricultural industry into a public utility.

An hon. Member: Shame!

Mr. Hamilton (Swift Current-Maple Creek): I am still waiting to hear how the minister in charge of the Canadian Wheat Board is going to get around the new feed grain commission established in the province of Manitoba. In addition, it has just been announced that a feed grain commission is to be established in the province of Saskatchewan. The Minister of Agriculture for Saskatchewan gives as his reason that his board is going to regulate the federal government's feed grain program.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, we have waited some time for the minister responsible for the Wheat Board to make a statement of policy in the House and he has now done so. It has been obvious from his previous statements that this method of pricing is designed to subsidize the producers in the province of Quebec and the Maritimes at the expense of the grain producers of western Canada. It is designed to give an advantage to the livestock and poultry producers in the eastern provinces and to put the western producers of livestock at a disadvantage.

This is such an unfortunate policy it has forced two grain growing provinces, Manitoba and Saskatchewan, to set up grain marketing agencies. This step should not have been necessary since we already have a very effective marketing agency. It destroys the effectiveness of the Canadian Wheat Board as the pricing agent in the domestic market, and puts in its place a very cumbersome pricing method that will not work well, will give trouble continually and give rise to political arguments in this House and elsewhere. It is an unfair policy for the farmers in the province of Ontario. I am surprised that the Minister of Agriculture (Mr. Whelan), who is a farmer in Ontario, has lent his support to a policy that is so biased, so cumbersome and in a great many respects unworkable. The pricing policy we had maintained an equality between the price of corn produced in Ontario and the price of feed grains produced in western Canada. It maintained a certain equilibrium which this new policy will destroy.

Finally, I am surprised that the minister, who represents a Saskatchewan constituency, has seen fit over the last several weeks to bring in policies that cause the western grain grower to subsidize the bread and flour industries in Canada, and now caps it off by formally bringing in this policy which will cause these farmers to subsidize the livestock producers of eastern Canada.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like first of all to thank the minister for having followed what seems to become more and more the general rule in this House and having given to the spokesman for our party the French version of his statement.

Mr. Speaker, the problem referred to in the minister's statement is not new. In fact, we have been hearing for several years about the difference in prices between the east and the west.

[Mr. Hamilton (Swift Current-Maple Creek).]

Because I am an optimist, I would like to repeat once more that before criticizing the policy announced today—and I would like this criticism to be as frank as possible—I believe that we should wait until we have tried the policy for a while.

For my part, I do not think that this policy is at all unfair to the western grain producers, any more than it is particularly to the advantage of those in the east.

In any event, I have always thought that the central government existed to adopt programs designed to bring justice to all areas of the land. And I am still convinced that all governments have endeavoured, in the past, to find a solution to that problem.

Of course, to my mind, it is too soon to pass a valid judgment on the plan proposed to us today. In any event, I trust the agriculture organization of the province of Quebec, the APU, will analyze this solution in depth, after which I am convinced its president will make an official statement and say with his usual frankness what he thinks of the policy.

Whatever the case may be, as the measure goes into force from September 15, that is tomorrow, I expect that in the very near future both eastern and western producers will be able to understand the full significance of this measure. If its effects are really good, the government will then have been justified in seeking a really fair solution, although it did take a long to time to do so.

Mr. Speaker: Does the hon. member for Joliette (Mr. La Salle) wish to comment the minister's statement on motions?

Mr. Roch La Salle (Joliette): No, Mr. Speaker, I should like to move a motion pursuant to Standing Order 43.

Mr. Speaker: I recognize the hon. member for Joliette.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

PROPOSED ADJOURNMENT TO OCTOBER 15—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Roch La Salle (Joliette): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to move a motion concerning a matter of urgent and pressing necessity.

In view of the reasons which have led to the early convening of this House, I move, seconded by the hon. member for Champlain (Mr. Matte):

That, when the House has passed Bill C-219, An Act to amend the Old Age Security Act, Bill C-220, An Act to amend the statute law providing for the payment of supplementary retirement benefits to certain persons in receipt of pensions payable out of the Consolidated Revenue Fund, and Bill C-223, an Act to amend the Family Allowances Act and the Youth Allowances Act, and the said bills have received Royal Assent, this House adjourn to October 15.

Mr. Speaker: The House has heard the motion moved by the hon. member. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there such unanimous agreement?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not, and therefore the motion cannot be put.

* * *

● (1420)

[*English*]

AIRPORTS

TERMINAL TWO, TORONTO INTERNATIONAL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Don Blenkarn (Peel South): Mr. Speaker, in accordance with the provisions of Standing Order 43 and on a matter of pressing necessity I move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

That this House do direct the Minister of Transport to present to the Standing Committee on Transport and Communications all plans, specifications and designs now available and to be available for the extension and alteration of terminal two at Toronto International Airport so that these plans, specifications and designs can be reviewed by the committee to ensure that the minister will not once again create facilities designed not for people but, at the best, for freight—

Mr. Speaker: Order, please. I bring to the attention of the hon. member that that is not a motion but a speech, and I hesitate to submit any speech in the House to the test of unanimity. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Nielsen: Mr. Speaker, I rise on a point of order. I hope this is the proper time to raise it. On today's order paper two motions appear under notices of motions, one by the hon. member for Thunder Bay (Mr. Penner) and the other by the hon. member for Toronto-Lakeshore (Mr. Grier). Both are in exactly the same terms as the motion of the hon. member for St. John's East now standing on the order paper under motions.

I have two points to make with respect to the regularity of these notices of motions appearing today. First, they are couched in precisely the same terms as the motion now standing in the name of the hon. member for St. John's East. Second, if these notices are allowed to remain and are then transferred, as they would normally be on Monday and are placed under the heading, "Motions" on the order paper, then Standing Order 19 would be a nullity.

Standing Order 19 sets forth that notices of motions put by hon. members, if they are not taken up when called, may be allowed to stand with the consent of the government. That means they stand in their regular place. If the notices that are now on the order paper in the names of these two hon. members are allowed to remain there and are transferred, as would normally be the case on Monday, then Standing Order 19 would be totally ineffective.

I suggest, Sir, that you take the matter under advisement before they are transferred, which would normally be on Monday. The timing might prove a little difficult in

this case but Your Honour might make a decision some time later today on the point I raise that they should not appear on Monday in a place following the motion now standing in the name of the hon. member for St. John's East.

Mr. Speaker: Order, please. I am quite prepared to make a ruling immediately on the point raised by the hon. member for Yukon, with which I do not agree at all, but apparently there are hon. members who wish to contribute to the procedural point and I will hear them before making the ruling.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I only wish to say that the hon. member for Yukon (Mr. Nielsen) had and has no citation to back up his point. If the motion of the hon. member for St. John's East (Mr. McGrath) were in the possession of House, another motion like it could not be moved, but even that would not stop another member from placing the same notice of motion on the order paper. Sometimes there are two or three bills on the order paper dealing with the same matter. The point at issue is whether or not the House has taken possession of a particular motion. Since this has not happened, and since no decision on the matter has been taken, I am sure there is no reason why a dozen members could not put the same motion on the order paper.

Mr. Reid: Mr. Speaker, I would like to draw your attention and that of the hon. member for Yukon (Mr. Nielsen) to the daily routine of business as it appears in today's Order of Business and Notices. You will find under "Motions" that the second and third motions, standing respectively in the names of the hon. member for Kingston and the Islands (Miss MacDonald) and the hon. member for Skeena (Mr. Howard), are identical. Further, Mr. Speaker, I would point out that the first motion, standing in the name of the hon. member for Skeena, is identical with a motion presented by the hon. member for Kingston and the Islands which was debated and subsequently transferred to government orders. I suggest, Mr. Speaker, in conjunction with the hon. member for Winnipeg North Centre (Mr. Knowles), that this a typical ruse by the hon. member for Yukon.

Mr. Nielsen: Mr. Speaker, I have a citation—

Mr. Speaker: Order, please. I will hear the hon. member, but I suggest that there should not be two or three speeches by the same member on a point of order. The hon. member says he has a citation. I will hear him and then make a ruling, depending, of course, on what the citation might contain.

Mr. Nielsen: The citation is found in Beauchesne's Fourth Edition at page 167. It is citation 200, paragraphs 2, 3 and 4, which have a bearing on the matter. In reply to the parliamentary secretary, I wish to say that the point was raised sincerely and not as a ruse. That statement, being a political one, is obviously being made for the benefit of the delegates in the gallery.

Mr. Speaker: Order, please. Would the hon. member indicate again the citation to which he referred?

Notices of Motions

Mr. Nielsen: Page 167 of the Fourth Edition of Beauchesne, citation 200, paragraphs 2, 3 and 4.

Mr. Speaker: The citation referred to by the hon. member is, of course, well known. It is that only one question can be put to the House at the same time. But of course that does not answer the point made by the hon. member for Winnipeg North Centre.

It is long established practice, going back at least 100 years, that there can be more than one notice on the same subject appearing on the order paper. As the hon. member for Winnipeg North Centre and the parliamentary secretary have indicated, at the present time there are a number of such instances on the order paper as of today, excluding the particular instance to which the hon. member for Yukon has referred, where we have motions in exactly the same terms appearing for consideration of the House. As one of the hon. members said, it is, of course, when a decision has been taken by the House, and when particularly a matter has been under discussion by the House, that the point raised by the hon. member may be taken into account.

The hon. member for Yukon referred to Standing Order 19. Standing Order 19, of course, is quite relevant, but that does not help the hon. member's position at all. Standing Order 19 is to the effect that if a motion placed on the order paper by an hon. member is not proceeded with it falls to the bottom of the order paper or disappears from the order paper. I suggest it is only by consent of the House, and as a result of practice that has been developing, that motions that are not proceeded with immediately are allowed to remain on the order paper. If we agreed, as the hon. member suggests, to put Standing Order 19 strictly into effect, then all the notices which appear on the order paper, including one in the name of the hon. member for Yukon, would have disappeared a long time ago. I suggest to the hon. member that his point is not well taken.

Mr. McGrath: On a point of order, Mr. Speaker, now that Your Honour has made a ruling may I say to the House that the two hon. gentlemen could have saved themselves a great deal of trouble because I intend to proceed with my motion on Monday.

Mr. Reid: Why not today?

● (1430)

Mr. Grier: Mr. Speaker, may I say that if the hon. member for St. John's East (Mr. McGrath) had been a little more hasty in proceeding with debate on his motion, which has been standing on the order paper since July 25, it would not have been necessary for other members to move the same motion.

[Mr. Speaker.]

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL EXPORT TAX—CONSULTATION WITH AND REACTION OF PROVINCES—SCOPE OF FREEZE ON PRICE OF CRUDE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources concerning yesterday's announcement outside the House of an oil export tax. Will the minister tell the House whether he consulted with the oil-producing provinces either prior to or following the announcement, and can he indicate briefly what the reactions of those provinces have been? I am not referring to the reaction of the Alberta delegates at the annual Liberal meeting but specifically to the reaction of the provincial governments of the oil-producing provinces.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we advised the Alberta minister of the decision of the National Energy Board and also the government's decision with regard to the consequences of the National Energy Board decision. I think it is fair to say that they made no substantive comment about it.

Mr. Stanfield: We will await that comment, Mr. Speaker. I should like to ask the minister whether this policy that the government has adopted—

Mr. Guay (St. Boniface): Who is your oil man, Bob?

Mr. Stanfield: I am the oil man.

An hon. Member: There is lots of gas over there.

Mr. Speaker: May we have order, please.

Mr. Stanfield: I certainly do not pretend to be the expert on gas that my friend is.

Some hon. Members: Hear, hear!

Mr. Stanfield: I should like to ask the Minister of Energy, Mines and Resources whether the government's policy with regard to a freeze includes a freeze on the price of crude imported into Canada for Quebec and the Atlantic provinces, for example, as of the same date that Canadian-produced crude was frozen and whether the same general provisions as have been applied to Canadian-produced crude will also apply to imported crude?

Mr. Macdonald (Rosedale): Mr. Speaker, I think it will be obvious to the hon. gentleman that there is no way we could put a price restraint on foreign vendors of crude oil to the eastern Canadian market. Therefore they will be in the situation of offering for sale to Canada crude at prices that will be set by international competition. On this basis, as was indicated by the Prime Minister's statement at the time, crude supplies entering the eastern Canadian market from foreign sources would not be subject to the same restriction as those originating in Canada.

Mr. Stanfield: In other words, Mr. Speaker, consumers of petroleum products in the Atlantic provinces, the prov-

ince of Quebec and any other part of Canada dependent upon imported crude will pay a higher price for petroleum products than those from the Ottawa Valley west in the event of the international price of oil rising as is generally expected?

Mr. Macdonald (Rosedale): Mr. Speaker, the problem that we were dealing with in the freeze was the fact that each month there has been an increase in the price west of the Borden line. In August there had been an increase of 40 cents and there would have been a further increase in the price of crude of 40 cents but for the restraint imposed and the indication that we would establish a control mechanism. If there is an increase in the international price, in due course that would find itself into the refined product. The hon. gentleman will recall that at least at the moment the price offshore is below that in western Canada.

OIL EXPORT TAX—DISPOSITION OF REVENUE—REASONS FOR POSSIBLE INCREASE NEXT JANUARY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, while congratulating the minister on taking the first steps toward introducing a two-price system, may I ask him for some clarification regarding his announcement yesterday and the decision of the National Energy Board to impose a 40 cents per barrel levy on crude oil exported from Canada. What disposition will be made of this revenue which I believe is estimated at some $15 million a month? Will any part of it be turned over to the oil-producing provinces? Will it go into a special fund? Has the minister any—

Mr. Speaker: Order, please. Perhaps the hon. member might allow the minister to reply to the question at this point.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should indicate that every month the National Energy Board has, of course, been faced with the responsibility of determining what is a just and reasonable price for Canadian crude sold in the American market. Previously it was able to give a certificate that the price was just and reasonable because the single price applicable to both Canadian use and American export products had been increased each month. Of course, with the restraint the price has not been increased in Canada and this is the reason for the board refusing to issue licences. The intention would be that the difference of 40 cents as of October 1 would go into the public treasury. Very obviously, the producing provinces, particularly Alberta, are very much interested in the disposition of that 40 cents. That was one of the questions that was much discussed yesterday when I met the Alberta minister. I expect to be seeing him and his colleagues in the first month of October to get their further comments on the general proposal.

Mr. Douglas: Mr. Speaker, I have a supplementary regarding the statement attributed to the minister yesterday in which he said that when the present freeze on crude oil prices has expired on January 30, 1974, it is expected that the domestic price will rise to bring it more into line with the international price. I want to ask the minister what this decision is based on. Is it based on a study of the cost of production or is it merely raising the price in order to satisfy the demands of the major oil companies?

Mr. Macdonald (Rosedale): Mr. Speaker, the assumption would be that we would move from the situation of pricing Canadian crude using a Chicago basing point to using a Montreal basing point. That is to say, crude oil for sale in Canada would be priced in reference to overseas crude landed at Montreal. As I indicated to the Leader of the Opposition, of course there is no indication necessarily that the price will go up. I think the specific question from the journalist that I answered was that if the price at Montreal did go up, would this affect the whole market and I said if we used a Montreal basing price at that time of course it would.

[*Translation*]

Mr. Speaker: Does the hon. member for Champlain wish to ask a supplementary question?

Mr. Matte: Yes, Mr. Speaker.

[*English*]

Mr. Speaker: Perhaps the Chair might first recognize the hon. member for Nanaimo-Cowichan-The Islands on his supplementary and then the hon. member for Champlain.

Mr. Douglas: In view of the Prime Minister's statement that the government is considering a control mechanism which would either be an export tax or a national oil marketing board, may I ask the government if the decision taken yesterday means that the government has decided that the control mechanism will be an export tax, or may we hope that he has not ruled out the possibility of an oil marketing board for Canada?

Mr. Macdonald (Rosedale): Mr. Speaker, the advantage of an export tax is that in purely legislative drafting terms it is rather simpler to achieve at the moment than a marketing board. I would not rule out the possibility of an export tax first to be followed by a marketing board in due course.

[*Translation*]

INQUIRY RESPECTING QUEBEC'S POSITION ON FREEZING OF OIL PRICE AND PROPOSED PIPELINE EXTENSION TO MONTREAL

Mr. René Matte (Champlain): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources whether he received from the Quebec government an official notice of approval or disapproval about his recent statement concerning discount prices of oil, and also if he received an official notice of disapproval about the proposed construction of a pipeline to Quebec province.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, we have been meeting the representatives of the province of Quebec today and the talks are continuing this afternoon. At this point, discussions tend to consider the two sides of the projects into greater detail.

● (1440)

[*English*]

OIL EXPORT TAX—DURATION OF POLICY—ALBERTA POSITION ON PROPOSED PIPELINE EXTENSION TO MONTREAL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I direct a supplementary question to the Minister of Energy, Mines and Resources along the same lines. Is this 40 cents surtax per barrel of crude petroleum a temporary policy or a permanent policy?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the intention would be, subject to the approval of parliament, to attempt to separate the Canadian price of crude oil from the fast rising price of crude oil in the United States, and it would continue, we expect, until, if ever, there is parity between the two.

Mr. Woolliams: The minister said that he met the Minister of Energy for Alberta and other officials. Was the Montreal pipeline discussed with those representatives of Alberta, and what was the result of that discussion? Were they in favour of it or in favour of the government vetoing its own decision?

Mr. Macdonald (Rosedale): Mr. Speaker, the Montreal pipeline was among the subjects discussed. The Alberta position was to note very carefully the explanation we gave them. They intend to respond early in October.

Mr. Speaker: Order, please. A number of hon. members are seeking to ask supplementaries on this subject. Perhaps we might see a few other members and then return to the hon. member for Qu'Appelle-Moose Mountain and the hon. member for Waterloo-Cambridge.

* * *

TRANSPORT

SUGGESTED PROVISION OF FERRY SERVICE BETWEEN PRINCE EDWARD ISLAND AND NEWFOUNDLAND IN LIGHT OF RECENT STRIKE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Transport. Can the minister advise whether any plans are being devised, by way of legislation or by way of the creation of an agency, to provide ferry service between Prince Edward Island and Newfoundland in order to prevent a recurrence of the disruption of ferry services between those islands and the mainland as a result of the recent strike?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is something we are looking into. While there is a constitutional obligation on Canada to provide service to Prince Edward Island and Newfoundland there is, on the other hand, the fundamental right in law to strike. We have to reconcile all this. This is why I am looking into the problem and I hope we will find a solution.

[Mr. Macdonald (Rosedale).]

INDIAN AFFAIRS

ESTIMATE OF COST OF SETTLEMENT OF NATIVE CLAIMS

Mr. Joe Clark (Rocky Mountain): Mr. Speaker, may I direct my question to the Minister of Indian Affairs and Northern Development. Now that details of missing documents have been made public through CJOH, will the minister say how the government arrived at the figure of $3 billion as the total cost of settlement of native claims, and will the minister say whether a recognition of the concept of aboriginal rights would change the government's estimate?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I cannot make any comment because I do not know whether those documents are valid or not. However, the House and the Indians are well acquainted with the departmental position on Indians. We are ready in the localities where there is no treaty to negotiate settlements with the Indians and we hope to render them justice. As for their costs, we will know what they are when the settlements will have been reached between both parties.

[*English*]

Mr. Clark (Rocky Mountain): Would the minister advise the House concerning native claims for lands that are now lost? Is the only form of settlement contemplated by the government a cash or compensation settlement, and has the government ruled out the restoration of that land to the native people?

Mr. Chrétien: Mr. Speaker, we have not ruled out that possibility. We have said in many cases that they could involve some lands. In my dealings with the British Columbia government I made representations to the effect that some Indians in B.C. would like to have land rather than cash. It is the same thing in the James Bay area, and I have made that comment to the Quebec government.

ACCEPTANCE BY PROVINCIAL GOVERNMENT OF OBLIGATIONS UNDER QUEBEC BOUNDARIES EXTENSION ACT TO PEOPLE OF JAMES BAY AREA—GOVERNMENT POSITION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Is it the position of the government that the provinces must, and I emphasize the word "must", meet their constitutional commitments respecting native claims and, if so, what specific action has the government taken since April to ensure that Quebec accepts its obligations under the Quebec Boundaries Extension Act for the native people of the James Bay area?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have provided

the Indians with the necessary funds to enable them to fight their case in court and we have given them all the support they sought from us. Now we have to wait to see what the decision of the court will be. We expect the decision to be made known in a few weeks.

Miss MacDonald (Kingston and the Islands): Is it the government's position that the settlement of Indian rights is more social and political than legal and, if so, is the government prepared to broaden the restrictive legal approach it has so far taken to native rights in the James Bay area?

[*Translation*]

Mr. Chrétien: Mr. Speaker, we have tried during the past three years to have the Indians and Quebec authorities meet in order to find a solution. We attended all the negotiation meetings, except that at a certain moment, the Indians have deemed advisable to suspend the discussions and go before the courts. We then helped them to plead their case before the court. I must say that the Indians have done it quite satisfactorily up to now and I have nothing to reproach them; I do not think that we should be paternalistic and act for the Indians in such a debate.

* * *

[*English*]

FINANCE

INQUIRY RESPECTING GUARANTEE BY BANKS OF NO INCREASE IN MORTGAGE INSURANCE AND APPRAISAL FEES AND AMORTIZATION PERIOD

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. In addition to the guarantee the minister indicated to the House yesterday he had obtained from the banks that they would not increase their magnanimously low interest rate of 10 per cent on mortgages and that mortgages would continue to be made available, did he obtain from the banks also a guarantee that they would not increase the variety of charges that go with mortgages, for instance, mortgage insurance fees, appraisal fees and the period of amortization of such mortgages?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will certainly see whether there is any substance to the allegation of the hon. member.

Mr. Broadbent: Mr. Speaker—

Mr. Speaker: Order, please. I will recognize the hon. member in a moment. There are five, six or more members seeking supplementaries. If we do this with every question we will not get far during the question period. I will recognize the hon. member for Oshawa-Whitby and then the hon. member for Davenport.

Mr. Broadbent: Mr. Speaker, perhaps the minister has been confused by a certain convention going on now. My question was a question and not an allegation. I asked the minister if he would check and obtain from the banks a guarantee that they will not increase the range of service charges that are permitted to them and that go with the mortgage loans they make to people.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will certainly make that inquiry.

* * *

FOOD PRICES

EFFICACY OF UNITED STATES CONTROLS

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I have a question for the President of the Treasury Board. In view of the fact that in recent weeks the retail price of bacon has dropped from $1.79 to $1.19 this weekend, owing to the policies of this government—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Caccia: —may I ask the President of the Treasury Board if he will make funds available immediately to members of the Official Opposition so they may visit the United States and see for themselves the disastrous consequences of the control policies that they are recommending to the Canadian people?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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THE CANADIAN ECONOMY

POSITION OF MINISTER OF FINANCE ON POSSIBLE PRICES AND INCOMES POLICY

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Finance. We are all pleased that he is surviving the battle raging at the Chateau Laurier. Knowing that the minister is an ambitious man, Mr. Speaker, and in view of the growing body of support within the Liberal party for a wages and prices policy—

Mr. Fairweather: Or any policy.

Mr. McGrath: —or any kind of policy to deal with inflation, for that matter, may I ask the ambitious Minister of Finance, and I know he will weigh his answer very carefully—

Mr. Speaker: Order, please. We are running short of time. Perhaps the hon. member might come to his question.

Mr. McGrath: Mr. Speaker, I was merely trying to establish reasonable grounds for my question so the minister could give a reasoned reply. Will the minister, in view of the growing body of support within the Liberal party for a prices and incomes policy, now reconsider his attitude in this regard?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will be quite prepared to arrange for the hon.

gentleman to be invited to the convention, because his arguments would prove my case better than I could.

* * *

● (1450)

[*Translation*]

ENERGY

FREEZE ON OIL PRICE AND PROPOSED PIPELINE EXTENSION TO MONTREAL—PLACE OF DISCUSSION BETWEEN OTTAWA AND QUEBEC

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to direct a question to the hon. Minister of Energy, Mines and Resources.

In reply to a recent question directed to him by the hon. member for Champlain, the minister stated that discussions were to be held today between officials of his department and Quebec government representatives concerning oil and the proposed pipeline. Could the minister advise the House whether these discussions will be held here on Parliament Hill or at the Château Laurier Hotel?

[*English*]

OIL EXPORT TAX—RIGHT TO IMPOSE WITHOUT PARLIAMENTARY APPROVAL

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is really addressed to you but I will address it to the Minister of Energy, Mines and Resources. In view of the fact the hon. gentleman has made it very clear that this 40 cents a barrel technique or two-price system, an idea taken from Walter Gordon, will be operated through an export tax, has the minister checked with the law officers of the Crown to determine whether the constitutional rights of parliament are being maintained? Does he have the right to impose a tax on people before that tax has been approved by parliament?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The hon. gentleman will recall the technique commonly employed in connection with taxation measures, and this action is consistent with it.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, that is the reason I brought your name into it. I want to ask the minister a simple question. Has he obtained the advice of the law officers of the Crown and of the Minister of Justice that to tax people by blackmail before parliament has passed an act is part of the regular procedures of parliament?

Mr. Macdonald (Rosedale): I must say I have not formulated the question in that way.

[Mr. Turner (Ottawa-Carleton).]

FINANCE

MORTGAGE INTEREST RATES—AGREEMENT BY BANKS NOT TO INCREASE—POSITION OF OTHER LENDERS

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is directed to the Minister of Finance. Since increased mortgage rates are costing the average home owner in Canada $15,000 in extra interest on a 30-year mortgage if paid to maturity, and in view of the minister's statement to the House concerning an agreement with the banks on mortgage rates, to which the hon. member for Oshawa-Whitby has already referred, would the minister tell us whether he has concluded any similar agreement with the other institutions in Canada which actually hold 85 per cent of mortgages compared with the 15 per cent held by the banks?

Hon. John N. Turner (Minister of Finance): I do not think the hon. gentleman's statistics as to the granting of mortgages are accurate in current terms. The undertaking I received from the banks and announced to the House yesterday that they had no intention of raising mortgage rates applies to banks over which parliament has direct authority. Many of the other financial institutions may be under other jurisdictions.

Mr. Stevens: In view of the fact the prime rate now being charged by the chartered banks is 9 per cent, the highest level since Confederation, and an unprecedented one and three-quarter points above the bank rate, would the minister tell us whether the agreement with the banks to which he referred yesterday concerning a special low margin for loan interest rates was made before they raised the rate to 9 per cent or whether the banks have already broken the agreement he thought he had?

Mr. Turner (Ottawa-Carleton): The agreement related only to the rates the banks pay on certificates of deposit. In return for giving my consent under the Bank Act to the interest on those certificates of deposit being raised at a uniform rate of one per cent by all the chartered banks, I asked the banks to see whether they could minimize the spread between what they pay for money and what they charge for money. I am glad to say the banks have narrowed that margin from one per cent to three-quarters on the prime rate for loans, from one to one-quarter on prime rates for loans under $200,000, and have eliminated the spread completely as far as mortgages are concerned.

* * *

[*Translation*]

EXTERNAL AFFAIRS

SITUATION OF CANADIAN CITIZENS IN CHILE

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs.

Could the minister advise the House of the fate of some 200 Canadian nationals presently in Chile, who are either being held in custody or unable to correspond with Canadians?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have had limited communication with our ambassador in Chile but it has been sufficient to establish that as far as he is aware the Canadians in Chile are safe and well.

Mr. Grier: Mr. Speaker, I have a question for the Minister of the Environment.

An hon. Member: Where is he?

Mr. Grier: I am sorry. I thought the Minister of the Environment was in his place. Since he is not, I will defer my question.

SUGGESTED PROTEST AGAINST RUNNING DOWN OF CANADIAN FISHING VESSEL BY FRENCH SHIP

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Recently he informed the House that he was having consultations with the French ambassador about a vessel of Canadian registry travelling in international waters adjacent to French territory. I should like to ask the minister today whether he would agree to hold further conversations with the French ambassador about a vessel of French registry travelling at high speed through heavy fog in territory adjacent to our coast, ignoring recognized international navigation rules and running down a Canadian fishing vessel?

Hon. Mitchell Sharp (Secretary of State for External Affairs): If the hon. gentleman will provide me with the details I will be very happy to follow this through.

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REGIONAL ECONOMIC EXPANSION

CANCELLATION OF SUBSIDY ON BUILDING OF SMALL SHIPS—EFFECT ON EMPLOYMENT IN COASTAL PROVINCES

Mr. David MacDonald (Egmont): I have a question for the Minister of Regional Economic Expansion. A few days ago I asked him some questions in connection with a disastrous decision of the Minister of the Environment which resulted in the loss of the fishing boat subsidy during the fall period, a period of heavy construction. The minister gave us to understand that arrangements were being made to provide additional funds so that no work presently under way would be terminated and no significant number of jobs lost. Can the minister tell us whether those arrangements have been worked out and what machinery will be set up to deal with this important problem?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Officials of DREE and of the Department of the Environment are at present consulting on the details with the provinces. The question that has to be determined from the provinces is just what volume of additional subsidy or work is necessary to keep these yards going for a period of 90 days, approximately 30 of which have gone by. What we are seeking now is a formula through which sufficient additional grants, or whatever the proper description might be, can be provided authorizing those yards to continue where, in fact, there is now some slack. So far as we have been able to determine, the need is not extensive in many areas of Atlantic Canada, but that is a statistic we are trying to get at the present time.

Mr. MacDonald (Egmont): Can the minister tell us specifically which provinces have not yet indicated the extent of the need? I have particularly in mind Prince Edward Island where more than 100 vessels would be affected this fall. Can he tell us whether satisfactory arrangements have been reached with that province?

Mr. Jamieson: Without challenging the hon. member's comment, may I say I doubt very much whether 100 vessels would be affected. We are talking about a 90-day period; there is nothing which says the subsidy will not be continued beyond that date. This is merely covering the period when an assessment is being made of the ships and vessels that ought to be authorized. I cannot conceive of 100 vessels being deprived of the subsidy, but if the hon. member would give me more details I would be glad to look into it. To the best of my knowledge, during the 90-day period there are no significant losses as far as employment is concerned. If, of course, the freeze were to continue, the story might be entirely different. But I do not expect it will.

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ENERGY

OIL PRICE FREEZE—POSITION OF CONSUMERS IN QUEBEC AND ATLANTIC PROVINCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, perhaps I might be permitted to return to the first question I put to the Minister of Energy, Mines and Resources. I asked him about the position of consumers of petroleum products in Quebec and the Atlantic provinces. Is it the position of the government that while the five-month freeze does not apply to crude imported into Canada, consumers in Quebec and the Atlantic provinces will not suffer any continuing disparity compared with consumers in other parts of the country because the domestic price of crude will move freely as the international price of crude moves as determined at the landing point in Montreal? Is that a correct statement?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The proposal now under discussion is to use a Montreal base price related to the landed international price of crude at Montreal.

● (1500)

PUBLIC BUILDINGS

ALLEGED WASTE OF MONEY IN PURCHASE OF ART OBJECTS DISPLAYED OUTSIDE BUILDINGS—GOVERNMENT POSITION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Public Works. In view of the growing protests over the waste and extravagance involved in the purchase of the art monstrosities now appearing before public buildings in Ottawa, when will the hon. gentleman be making changes in his fine arts program to ensure that these huge sums of money are spent in encouraging genuine Canadian art?

Mr. Speaker: Order, please. The Chair will allow the minister to reply but it seems to me that a question asked in those terms might well be placed on the order paper.

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, the Minister of Public Works does not claim knowledge in the world of art. These specimens are chosen by a select committee composed of some of the best Canadian artists. It has been the policy of this and preceding governments to apply one per cent of the cost of a federal building to art surrounding the building. The question of what is art is a very subjective one and I would not want to impose my tastes nor the tastes of the hon. member on the public.

Some hon. Members: Hear, hear.

Mr. Dinsdale: Does the minister intend to accept the advice of the hon. member for Cochrane, who has advised the government either to get rid of them or to place a shroud over them, or is he going to wait until the Canadian people place a shroud over the government?

Mr. Speaker: Order, please.

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SOCIAL SECURITY

FAMILY ALLOWANCES—POSSIBLE DISCONTINUANCE IN VIEW OF POSITION OF OPPOSITION

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Has the minister given any thought to amending his proposed family allowance program for next year in view of the opposition expressed to a continuation of the program by the financial critic of Her Majesty's Loyal Opposition?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member will appreciate that a question asked in those terms is never in order.

[Mr. Macdonald (Rosedale).]

CAPE BRETON DEVELOPMENT CORPORATION

DENIAL BY CORPORATION OF CANADA PENSION PLAN BENEFITS TO MINERS—GOVERNMENT ACTION TO RECTIFY

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. While expressing appreciation of the fact that he has corrected Tom Kent's wrongful approach to Canada Pension Plan benefits, will the minister carry this action one step further and ensure that Cape Breton miners on retirement will have returned to them the Canada Pension Plan benefits wrongfully taken from them by Mr. Kent?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, while I cannot, of course, accept the premise of the question since this matter is a legal one interpreted by the courts, a decision having been made I have indicated to the hon. member and the House, following discussions with the Minister of Justice, that if there is some avenue through which this question can be raised to determine the appropriateness of the hon. member's representations I am quite prepared to consider this. The Minister of Justice has indicated that he, too, will be looking into the matter.

Mr. MacInnis (Cape Breton-East Richmond): A point of order, Mr. Speaker.

Mr. Speaker: The hon. member rises on a point of order.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, the minister made reference to court action and to what the Minister of Justice may or may not have to say about the matter. In my question I expressed appreciation to the minister for the changes and benefits he has already made available to the miners since that court action. All I now ask is that he continue this same progressive method, disregard Tom Kent's representations, and give back to the miners what has been taken from them. This has nothing to do with the court action.

Mr. Speaker: Order, please.

Mr. MacInnis (Cape Breton-East Richmond): He has already improved on the situation.

Mr. Speaker: Order, please.

Some hon. Members: Oh, oh!

Mr. MacInnis (Cape Breton-East Richmond): A question of privilege, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member sought the floor to ask a question and he received an answer from the minister. He then rose on a point of order, though I do not think he wants me to rule on his point of order. He is now rising on a question of privilege. I will recognize him, but again I seek the co-operation of hon. members as we move closer to the end of the question period.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise on a question of privilege because of a remark just made by the hon. member for St. Boniface. I

have made a promise to this House that whenever the hon. member for St. Boniface professes to have some knowledge of heavy water I will repeat my invitation to him, or to any other member on that side, to come to my office where I will show him a transcript of the remarks of their House leader. I will show him a bill presented in the House of Commons on October 19, 1970—

Mr. Speaker: Order, please.

Mr. MacInnis (Cape Breton-East Richmond): —and a transcript of the remarks of—

Mr. Speaker: Order, please.

Some hon. Members: Sit down.

Mr. Speaker: May we have order, please. The Chair recognizes the hon. member for Winnipeg North Centre.

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PENSIONS

REQUEST FOR ENLARGEMENT OF TERMS OF REFERENCE OF COMMISSIONER INQUIRING INTO PENSIONS OF RAILWAY EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a question for the Minister of Labour who I believe is behind the curtain. Is the minister in a position to report any progress respecting the commitment he made to the House on August 30 and 31 that he would consider either enlarging the terms of reference given to Professor Deutsch or appointing another commissioner so that the adequacy and fairness of railway pension plans in their totality, especially Canadian National's, might be examined?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I recall the remarks I made in the House on that date, though not precisely. I believe I indicated it would not be in the best interests of the railway workers to have Mr. Deutsch's terms of reference enlarged because it might delay his decision, which he would want to give to the arbitrator who indeed is himself under some haste to make a final determination. I did say that a supplemental study of the benefit structure of the pensions as opposed to the costing was under consideration, and I advise the hon. member it is still under consideration. Discussions will have to be held with the railways concerned, the Minister of Transport and the Union leadership, and we will get these discussions under way as soon as we can.

Mr. Guay (St. Boniface): A supplementary question, Mr. Speaker.

Mr. Speaker: The hon. member rises on a supplementary.

Some hon. Members: Oh, oh!

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): If I understand aright, will the minister give consideration to the possibility of asking Mr. Deutsch to hold hearings in the various provinces of Canada? Is that the understanding I got from that statement?

Mr. Nielsen: Mr. Speaker, I rise on a question of privilege. These parliamentary secretaries across the way are paid $4,000 a year—

Some hon. Members: Order!

Mr. Speaker: Order, please. I seek the co-operation of hon. members. We have just about reached the end of the question period. I will allow the hon. member to speak on his question of privilege; he should be allowed to indicate what his question of privilege is so the Chair may make a ruling.

Mr. Nielsen: Mr. Speaker, my question of privilege is one that has been raised in the past. A parliamentary secretary in this House asking a question is tantamount to one minister asking a question of another minister. These members are paid $4,000 a year extra to answer questions, not to ask them and take up the time of the House with spurious questions to ministers. They can get answers to these questions merely by lifting the telephone or in caucus. It is doubly offensive for the Parliamentary Secretary to the Minister of Transport to ask a question on the very subject matter that comes under his minister's responsibility.

Mr. Speaker: I hope we do not get involved in a debate on this point which has been raised by hon. members on a number of occasions. I feel it is a serious point of order more than a question of privilege. The parliamentary secretary wishes to rise on this matter and I will recognize him for that purpose, and then attempt to call orders of the day.

Mr. Guay (St. Boniface): Mr. Speaker, I should like to adhere to your request, but I must say that I honestly believe all members of parliament, notwithstanding the fact they are parliamentary secretaries, ministers or otherwise, have the right to represent their constituencies on an equal basis.

An hon. Member: Never mind the commercials.

Mr. Guay (St. Boniface): I feel we should not be forced to refrain from asking questions other than of our own ministers, giving the people in our own areas the impression that we have an inferiority complex as representatives in this House.

An hon. Member: Don't waste the time of the House, Joe.

Mr. Guay (St. Boniface): Mr. Speaker, I feel I have every right and reason in the world to represent the people of Manitoba residing in my constituency.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

An hon. Member: Take your seat, Joe.

Some hon. Members: Oh, oh!

Mr. Speaker: May we have order, please.

An hon. Member: Joe for leader.

Mr. Speaker: Order, please. I suggest to the House that the point has been made before and that the arguments the hon. parliamentary secretary is advancing now, in support of his contention, which is very defensible, that hon. members have the right to ask questions have been made before, I wonder whether we will gain anything by pursuing the matter further. Orders of the day.

● (1510)

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN

CONTRIBUTIONS OF MEMBERS OF CERTAIN RELIGIOUS SECTS, INTEREST RATE ON DELAYED PAYMENTS, PAYMENT OF LEGAL EXPENSES

The House resumed, from Thursday, September 13, consideration of the motion of Mr. Lalonde for the second reading and reference to the Standing Committee on Health, Welfare and Social Affairs of Bill C-190, to amend the Canada Pension Plan.

Mr. William Rompkey (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I should like to make a few comments on this bill, particularly in respect of its effect on the people of Newfoundland.

This particular piece of legislation, together with other social legislation brought in by this government and previous Liberal administrations, has been a godsend to our people. Certainly, our elderly people can remember the time when they lived on a subsistence income, from hand to mouth, and knew not where the next morsel of bread would be coming from, when survival was the prime consideration. There have been changes in some communities, while in other communities in Newfoundland that change has not been so obvious. This piece of legislation, along with the family allowance benefits, old age pensions and other social assistance legislation brought in by this government and, as I said, previous Liberal administrations, have been of great benefit to the people of Newfoundland. No longer do they have to fear what the future may bring, and no longer is there a question as to where the next meal is coming from because for many people in Newfoundland there is now a guaranteed annual income.

I wholeheartedly support the main thrust of the argument and the policy of the Minister of National Health and Welfare (Mr. Lalonde), and his hope that we will eventually get to the point where we guarantee an income to all Canadians, not just through the use of social programs to allow them to survive but by creating jobs in order that they may be useful and productive citizens. We should work toward the day when we have a guaranteed annual income for all Canadians, and I think this is a step in the right direction.

I am particularly pleased with the one aspect of this amendment in so far as it applies to the situation at Goose Bay. As members of the House will know, and certainly the government does, the United States force at Goose Bay is phasing out its operations in that community, leaving a partial economic vacuum. It has been the duty and responsibility of this government, together with the government of Newfoundland, to provide for that situation. Part of the problem has or will be solved with the setting up of the Goose Bay project group, the objective of which is to broaden the economic base of Goose Bay by finding other employment for the people of that area. I might say that some 500 or 600 people are affected by this change.

Mr. Barnett: I rise on a point of order, Mr. Speaker. There was some noise in the House and I did not hear which order number was called. Having listened to the remarks of the hon. member, I am wondering whether the order I thought had been called was in fact called, that order having reference to Bill C-190.

Mr. Deputy Speaker: The order that has been called is in respect of Bill C-190, to amend the Canada Pension Plan and to refer it to the Standing Committee on Health, Welfare and Social Affairs. Does that answer the hon. member's question?

Mr. Barnett: It answers part of my question, Mr. Speaker, but it does not explain the relationship between the remarks of the hon. member and the bill before us.

Mr. Rompkey: Mr. Speaker, there is one aspect of this bill which has particular reference to the Goose Bay situation, and I was trying to establish the context in which this bill has that effect. This is of particular importance to the people in my area because of the present employment situation there and the changed situation of about 500 or 600 people.

This bill provides that Canada Pension Plan coverage will be provided the civilian employees of the USAF base in Goose Bay who were not covered previously. I want to put on the record the fact that this amendment to the act has great meaning for these people. There was a pension plan for these employees at the excelsior plant, some of whom found it to be favourable, but there was a great deal of dissatisfaction as well.

This amendment to the Canada Pension Plan provides that these employees will at least have the benefit of some pension rights which were denied them previously. I submit that this is a particularly important aspect of this bill, and I am pleased that the minister has seen fit to include it. He made the announcement in Goose Bay when this amendment was first proposed, and I would simply like to say today that I am very pleased indeed to see this bill before the House.

Mr. McGrath: Mr. Speaker, would the hon. member permit a question? I listened with interest to the remarks of the hon. parliamentary secretary, the member for Grand Falls-White Bay-Labrador (Mr. Rompkey), for whom I have the greatest respect. I am sure he did not mean to convey the impression in his preliminary remarks that prior to the advent of the social welfare measures which came to Newfoundland as a consequence of confederation, and he specified the family allowance, old age pension and so on, our people were living from hand to mouth. He conveyed the impression that we were in a

state of near starvation, and I am sure he did not mean to do that, because in so doing he is not doing justice to that province we both have the privilege to represent in this House. Nor does he do justice to the proud, ancient and honourable tradition of those hard-working, God-fearing and proud people of that province. I am sure he would want to correct the record in that respect.

Mr. Rompkey: Mr. Speaker, I am prepared to stand by the record. Perhaps I should elaborate on my previous remarks by saying that in no way did I mean to downgrade the people of Newfoundland who have worked for their living for many years, and worked very hard. I do suggest that in many cases there was a question of survival. The hon. member knows as well as I the terrible conditions that existed in Newfoundland at one time.

● (1520)

He remembers the six cents a day and the dole, as I do—not personally, but through experience. Our people now are immeasurably better off in that they have a guarantee from this government of an income. I was simply putting on the record that it is certainly a godsend to our province that we will never have to go back to the days our people once faced. There was a period of great fear concerning what the future would bring. I think that fear no longer exists. In no way do I mean to say that our people are not self-sufficient. They always have been and, hopefully, always will be to the degree they can be within the context of their environment. They now have something that will keep them from a state of purely self-subsistence survival.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I very much regret that when this bill was presented on July 20 I was not in my place in this chamber. At that time I was attending an important regional meeting of the Caribbean Commonwealth Parliamentary Association. It is obvious I was not on holiday, because July 20 is not the best time for one to visit the Caribbean, however beautiful those islands are and however pleasant they are to visit at any time. Therefore I missed the initial presentation of this measure.

I have read with great interest the speeches made on that day. I think the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty)—an excellent member and a long-time resident of that constituency which is a wonderful part of the country but has a terribly long name—spoke with great understanding of the major aspects of this bill. I thought also that the hon. member for Winnipeg North Centre (Mr. Knowles) showed his usual understanding of these matters and his usual concern for helping people who need the kind of assistance which this kind of measure renders. The hon. member for Edmonton-Strathcona (Mr. Roche) also spoke wisely and well. So I believe the debate has been well launched.

Although I suppose one can never predict these things, I do not think there should be a long debate. When this matter was mentioned in the committee by the minister, I told him at that time of the view of myself and my colleagues, that we would not be delaying this measure because we know it has merit and justice. So far as I can see, the only member who mentioned what I call the first major aspect, the matter of appeals, was the hon. member for Winnipeg North Centre. This is a matter about which a number of my colleagues, especially my seatmate the hon. member for Cumberland-Colchester North (Mr. Coates), have been concerned. There was an iniquitous situation in which a citizen wishing to appeal a decision of the tribunal would not have his expenses underwritten by the government.

I am sure every member of this House welcomes what I see in this bill as a correction of an injustice. I commend the minister for bringing about this correction. Justice delayed is better than no justice at all, and we are glad this has been done. I am sure it will help people. It is very much in line with what I thought was the spirit of the legislation when it was put into effect. I have been here long enough to remember the inauguration of the Canada Pension Plan. In fact, we had three launchings and one of them finally made it. It is a complex but very important piece of legislation which means a great deal to many people.

Later in this session I hope we will be able to discuss in a fundamental way some of the matters dealt with by the hon. member who spoke recently and was checked up by my colleague from St. John's East (Mr. McGrath). There are many important issues in respect of the Canada Pension Plan, such as the matter of retirement, the ceiling and age, as well as disabled persons, which must be more carefully studied when we have the broader spectrum of the legislation before us.

On the matter of the exemption of certain groups, which received more attention than some other aspects, I want to say I am very pleased that these fine citizens have at long last—there have been quite a number of appeals—had the rightness of their position accepted. I may say that in my constituency, and in so far as I know in the province in which I am proud to live, Prince Edward Island, there are no people who belong to the Hutterite or Mennonite groups and therefore I have no special appeal in mind. However, I have had the honour to know many of these people while living in other parts of Canada and I regard them as among the finest Canadians.

An hon. Member: Hear, hear!

Mr. Macquarrie: I believe it was the hon. member for Palliser (Mr. Schumacher) who on July 20 referred to the virtues of these people as exemplified in their living from day to day. How wonderful it would be in our society if we could carry on the practice of earlier generations in which the older members of society were looked after by their own families. How wonderful it would be if a grandmother and grandfather could be enshrined in love and affection right in the home. At one time that was the situation in our society. It was a part of our culture. One would never think of turning the aged, loved ones over to an institution.

We realize that now this has changed. It is difficult enough now to obtain a house for the growing family. There is no such thing as a spare bedroom, let alone quarters for the grandmother and the grandfather. But these remarkable people have been able to carry through that familial affection and have been able to make adequate provision for an extended family. They have been

able to retain their values, their moral code and at the same time be productive citizens. The people of the groups I have mentioned are among the finest farmers. They work the soil of Canada and make it produce. They bring forth good crops from the providence which has been given to all of us.

The fact that their basic tenets of religion are different from ours I think makes it all the more important that the state recognize their right to differ. The Hutterites and Mennonites are conscientious objectors in terms of war. They adhere very rigidly and strictly to the injunctions against killing. Some of us have an entirely different background. My family got over on this side of the water because we had fought a war which we lost, which Bonnie Prince Charlie, our leader, lost. We were brought over here without any great kindness by the victor of that war, a man very properly called Stinky Willie, the Duke of Cumberland. So our position is different, but surely it is our right and proper duty to respect a different tradition.

I think in countries that are thoughtfully democratic we recognize that even the right to bear arms need not be forced upon people. A well known statesman of Great Britain, Prime Minister Clement Atlee, carried to the very end his view that he would not bear arms. I commend him for his view, although not sharing it. What should be remembered by people in the country is that while the groups mentioned here have a certain view on such things as involvement in insurance, these people, unique I believe among most Canadians, do not draw from the welfare payments made available by the state. It should not be forgotten that while the Hutterites pay income tax, land tax and all sorts of taxes, you will not find them accepting or receiving such things as family allowance cheques or old age security cheques. In my opinion they deserve for that great credit.

● (1530)

I think it is only reasonable that the adjustment which has been made in this bill should be carried through. I share with the hon. member for Winnipeg North Centre the belief—here I am paraphrasing him perhaps somewhat roughly—in the value of universality. You make a better pension plan if you have a broad basis of participation. But, as he also mentioned, the question of freedom of religion is very high in importance, if not paramount, in the kind of values that are at the heart, core and centre of our parliamentary system, our system of basic freedoms and individual rights.

Beyond that, in a working society in a country such as ours we have to make pragmatic judgments. I suppose you could argue that under the Canada Pension Plan a whole province has been exempted because it was discovered a few years ago that the province of Quebec was working out in fact a better plan than the Government of Canada. I remember those very tense days. I was here at the time and I know what the then prime minister, Mr. Pearson, was going through. It was not an easy situation.

So we developed a parallel system. The Canada Pension Plan was improved because of some of the borrowings from the concepts which the Quebec plan had brought forward. If I remember rightly, it was the premier of the province of my colleague from St. John's East who the first time he saw the Quebec plan at a dominion-provincial conference said that that was the plan for them rather than the federal one. So the idea of making adjustments, as against total universality—I suppose universality is always total—is not one that disturbs me. I look upon this not only as the right and proper thing to do but as a pragmatic settlement of a situation which had been growing difficult.

I know the depth of feelings that these people have; my colleague the hon. member for Provencher (Mr. Epp) and my colleague the hon. member for Wellington-Grey-Dufferin-Waterloo have told me about it. I know how long these people have pled their case, how carefully and thoughtfully they have put it forward, and I would like them to know that I am delighted that they have been given this measure of adjustment, this reasonable acceptance of their reasonable proposition.

I would like them to know, also, that while some of their basic viewpoints on religious and social grounds are quite different from mine, I believe they deserve tremendous respect from the people of Canada for their fidelity to different mores, a different sense of values and different social customs. I would say that the people mentioned in this bill are fine Canadian citizens who made a great positive contribution to this country and who, if I may mention it, very rarely if ever show up negatively by, for instance creating any trouble in our society. I have never found these people to have been an embarrassment through the violation of laws or the codes of the rest of society. They are, in fact, good citizens. The economic system they have worked out is a commendable one. Some of the family arrangements which they make are in my judgment not only commendable, but I wish that more of us and more of our ancestors had been able to adhere to them in a meaningful and functional way.

So I close by saying that I welcome this piece of legislation. If I had things to criticize, I would have no difficulty in uttering the criticism. But this is a good measure. It is justice somewhat delayed, but justice none the less, and for it I stand and to it I will give my support.

Some hon. Members: Hear, hear!

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, may I say first of all how great a pleasure it is to follow the hon. member for Hillsborough (Mr. Macquarrie) with his beautifully wise, intelligent and civilized approach to a subject. Perhaps I say that only because I happen to concur in the point of view he has expressed, but I think I would say it on other occasions as well.

This is a most important time for me. There have been many people in the House of Commons, from all parties, who have tried to put the cause of the Old Order of Mennonites before the House in order to grant them an exemption, but I was the one who originated the private member's bill which for the last five years has been appearing on the order paper. I have been working with various people in the House in order to see this particular amendment come before the chamber and, I hope passed.

There are two really important aspects to this bill beyond the particular arguments of the Mennonites. The first is that it is an example of a private member's bill that

got somewhere not that the language the government is using in its amendment is the language of my bill, but at least the same intent is there. If you look back, you will find that until very recently letters from the Prime Minister and from ministers of the cabinet have been going to the Mennonites explaining to them why we could not possibly make this kind of an amendment. So the other important and very assuring aspect is that governments are in fact prepared to change their minds and take another look at a situation.

I also want to express my deep appreciation to the hon. member for Winnipeg North Centre (Mr. Knowles). I can tell you that while it took a fair amount of persuading of the government and other members of the House, no one was more difficult to persuade than the hon. member for Winnipeg North Centre. While I am sure he has his reservations about changes in the principle of universality, I am very pleased that he accepts some of the arguments that have been put forward. To me this is very important. I greatly value his judgment, and certainly his support, and I am pleased to see that he will support this amendment.

My first involvement with the Mennonites took place in a little town called New Hamburg. I was talking to a fine looking gentleman who seemed very friendly. There was an election at that time and I was compaigning. He listened to everything I was saying and was being very encouraging. I was quite happy. I said to one of my campaign workers afterwards, "Things look good. I saw Mr. So-and-So, and he looks friendly". He said, "Forget it." "What do you mean?" I asked. He said "Mr. So-and-So is an Old Order Mennonite and he does not vote". Even when they do vote, the tendency has always been to vote for the government in power as a way of not affecting a change and assuming the least responsibility for some of the things that have gone on in this world. I should say that my philosophy in not that of the Old Order of Mennonites.

● (1540)

But I would not like to see a society in which my philosophy, or anybody else's philosophy, was imposed on other people without any real pressing necessity for that. The Mennonites are unusual for a number of reasons. They have a claim against society. They argue that promises were made to them when they came to Canada to exempt them not only from military service but from other programs. Admittedly, at the time those promises were made there were no insurance programs as we know them today. The government was not heavily involved in welfare, but the implied promise was that they could live their lives differently from the people around them.

I am satisfied, from looking over the documents that were signed by the governments of that day, that a promise was made to the Old Order of Mennonites on that basis, and to the extent that it is possible for a changing society to honour that kind of guarantee we should do so. The Mennonites are a pacifist group. They have been objecting to the moneys taken from them for the purposes of the Canada Pension Plan, but they have never resorted to violence. The government has been seizing their milk cheques to collect the Canada Pension Plan contributions simply because the Mennonites refuse to pay those contributions. This procedure was the result of a tacit agreement between the government and the group because, had the Mennonites contributed voluntarily they would have broken a very important oath that each of them takes.

It is important to put on the record the position the Mennonites are in from a religious point of view with respect to the kind of oath that one takes on becoming a Mennonite. Here, it is important to remember that we are not talking about all Mennonites. The vast majority are not in the same position as those in the Old Order of Mennonites. In my area the Old Order represents something less than 800 families, and there are many thousands of Mennonites who do not go along with some of the views of the Old Order. Members of the Old Order hold to the following:

> The church, we believe, is a genuine brotherhood in which individual members obligate themselves to help one another in time of need and to be willing to submit to the discipline and the counsel of the total brotherhood.
>
> A central teaching and practice of the Mennonite church from the 16th century until today has been that of Christian mutual aid.

Their objection to insurance of any sort, private as well as public, is that it violates their obligation to assist each other. I do not find their view unattractive. If we could extend the view of mutual aid to our entire society we would do well. To some extent we do so through insurance programs, but as I have pointed out they object to such programs. It may be difficult for me to understand their position clearly. My mind is not tuned to this in the same way as their minds are, but I can assure you, Mr. Speaker, that members of the Old Order of Mennonites feel strongly about this matter.

I remember discussions in the standing committee, when a number of members made the point that the Old Order of Mennonites are not the only people objecting to the Canada Pension Plan, and that there were all kinds of people who would like to opt out of that plan. But the distinction concerns their reasons. In the latter case, people might get a better deal through a private plan rather than from the public plan. But that is not the objection of the Old Order of Mennonites.

To prove their sincerity they have said, "We are willing to pay the amount of money required from us as contributions, and we are willing to forgo any benefits from the Canada Pension Plan, but we do not wish our money to be paid into an insurance program. We will pay it into a charity, or into foreign aid, or into some other fund from which we do not get any direct benefit." That is an important distinction. When hon. members say that there are other people who would like to opt out of the Canada Pension Plan then I ask, are those people prepared to take the Mennonite test, that is, pay the premiums but not take any benefits, to show that their objection is one of principle and not of pocketbook? People often want to opt out for pecuniary reasons.

If a person wishes to opt out of the Canada Pension Plan, we are in a position to test his sincerity of principle by telling him that if he is willing to forgo the benefits, but still pay the alternative to premiums, as the Mennonites propose, then there is no reason why he cannot opt out. But I do not think many people would take up that offer. I have always been a strong proponent of universality, and like the hon. member for Winnipeg North Centre

it is difficult for me to conclude that some part of universality has to be breached or set aside. But I suggest that universality can in fact be strengthened by making certain well defined exemptions.

Of course, if there were widespread exemptions universality would be destroyed. The great criticism against universality is not that it will not work, not that it is necessary, but that when you force all people into the same position or pattern, while there is a kind of equity in doing that there is also the possibility of some injustice being created in the process. If an exemption can be made in a specific, proven, well documented instance, then universality is strengthened because the small element of injustice that might be present is removed. I suggest that by granting this exemption from the Canada Pension Plan to the Mennonites the universality of the plan will be strengthened. There is no danger to the plan.

There is a difference in the eyes of the Mennonites between the Canada Pension Plan and other programs. The Mennonites pay their income taxes, and contribute to other programs. The difference is simply that the CPP, more than other programs, can be clearly related in terms of benefits to the individual contributors. In other words, it is more a straight insurance program than other programs. Revenue to pay the old age pension comes from a number of sources. It is difficult to know what percentage comes from each source. The pension is not related to the contributions an individual makes. That is the way we want it, to insure everyone, not on the sole basis of risk but on the basis of social obligation, so that those who are better-off can assist those less well-off. I would be opposed to any exemption from such programs for the Mennonites. Incidentally, because of their work ethic Mennonites are probably somewhat better-off economically than most people around them. They should, therefore, be making a contribution to the rest of society based on their better position.

● (1550)

When it comes to the Canada Pension Plan, however, those ideas do not apply with equal strength because it is more difficult to make a case for universal coverage under the Canada Pension Plan. Under that plan, the more you earn, the more you get and the longer you contribute, the more you get. Therefore, with few exceptions it is very much an income related program. It does not do any harm to the other people in the Canada Pension Plan to grant an exception in an unusual case.

I could say much more about the Mennonites, Mr. Speaker, but I can understand that some people may not be fully convinced—even some of my colleagues. I can understand that because in my party for years and years—sometimes it seems for centuries—we have fought to establish the principle of universality. Any breach of that principle has to be justified very clearly. Perhaps it is not possible to ever completely resolve this question. Perhaps those who may vote for the exemption, but who are strong proponents of universality, may have some doubt in their minds. There is some doubt in my own mind about which way I should go on this issue, and whether I should be taking up the cause of the Mennonites. I resolved that doubt in this way, Mr. Speaker. Since there was a question on both sides, and, universality did not appear to be in danger of being destroyed if the principle could largely be established, then if I was going to err, I would err on the side of greater freedom. On that basis, and I hope on the basis of some of the arguments I have made, I hope that this bill will ultimately receive the unanimous consent of this House.

Mr. Leggatt: Mr. Speaker, would the hon. member permit a question?

Mr. Saltsman: Certainly.

Mr. Leggatt: Are any of the basic old age pension benefits being accepted by that community?

Mr. Saltsman: Mr. Speaker, I am not certain, but I know that many of these people reject the old age pension. I have no way of proving this, but I understand that most of them reject it; some accept it. They make a contribution to it; it is kind of a tax.

While I am very sympathetic to the Mennonite point of view, I do not share it; I do not feel that it is possible for anyone to opt out of society. You cannot opt out of having your air poisoned or being invaded by an army; you cannot opt out of an epidemic or famine. It is my view that we are interdependent, but that is not the view of the Mennonites. I think they have made their case and have tried to do so conscientiously within the framework of their religion. Whatever my view may be of their religious beliefs, they do not do anybody any harm; that is the important thing.

If in fact their views came into collision with the best interests of society, some other attitude would have to be taken. They have a different view of the old age pension although most of them reject it as well as the family allowance.

Mr. Leggatt: Would the hon. member permit one further question?

Mr. Saltsman: Yes.

Mr. Leggatt: In terms of the provisions of the basic old age pension, would the hon. member not agree that this is in fact an insurance provision against the rigours of old age? If some of them accept it, is their position not inconsistent?

Mr. Saltsman: Mr. Speaker, I think there is always some inconsistency in a position but there is a point of consistency. I know it is not always possible to admit hon. members to the caucus of the New Democratic Party, but this may be one of those rare occasions when you can see the kind of thing that goes on here. I am sure it is repeated in the caucuses of other parties.

There are different kinds of insurance programs. Medicare is a different kind of insurance program because its benefits are not really directly related to contributions. In other words, no insurance company would undertake that program on an actuarial basis. Things like medicare, the old age pension and the family allowances, are really social welfare programs underwritten by those people who are better-off for those who are less well-off. There is not just a sharing of the risk at one level, there is a sharing between all income levels. The argument against medicare

was not that the rich could not take care of themselves; it was just that under medicare the rich would not only have to take care of themselves but perhaps others who could not.

While there are some similarities between programs such as the old age pension, medicare and the Canada Pension Plan, there are also differences, and it is those differences that I was trying to point out earlier. With the Canada Pension Plan it is easier to relate the actual contributions made by the person to the benefits he receives, very much like private insurance and in contrast to the other programs which are government insurance programs.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, the hon. member for Waterloo-Cambridge (Mr. Saltsman) presented the House with a carefully prepared rationale for the bill before us as he sees it. Usually, I find myself persuaded by the hon. member without too much difficulty but as he has indicated, he is not certain that he has persuaded all his colleagues in this party. The hon. member congratulated the government for having changed its mind on this matter. There have been times when I have been willing to agree that the government should be congratulated for changing its mind, but I am not convinced that this is such an occasion.

I am rather fearful that the provision for opting out, of which was discussed in detail by the hon. member for Waterloo-Cambridge, embarks us upon a slippery path in respect of legislation which is of general application. One can think of a number of situations when persuasive arguments could be advanced for allowing certain groups within our society to opt out of certain provisions in legislation.

Mr. Deputy Speaker: Order, please. Perhaps hon. members would agree that we now call it four o'clock.

● (1600)

Mr. Reid: On a point of order, Mr. Speaker, there have been discussions, as a result of which we might rise at this point until the call of the bells for royal assent, if the hon. member who is to introduce a matter for discussion in private members' hour is prepared to agree. If members are agreeable, I ask that it be made an order of the House.

Mr. Bell: Mr. Speaker, we agree. If it is possible, we want to get our Liberal friends over to their convention. They are of absolutely no use around here, but if they are over there we can wish them an interesting and happy time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as I said around five o'clock this morning, I do not like to be difficult. The hon. member for Surrey-White Rock (Mr. Mather) whose bill is slated for this afternoon would like to speak on his bill, even if the private members' hour is to be only 45 minutes long. If any Liberals want to stay, they are welcome.

Mr. Deputy Speaker: I take it that the House agrees to the calling of the particular order standing in the name of the hon. member for Surrey-White Rock?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

NATIONAL TRANSPORTATION ACT

AMENDMENT TO ESTABLISH UNIVERSAL EMERGENCY TELEPHONE NUMBER

Mr. Barry Mather (Surrey-White Rock) moved that Bill C-37, to establish a universal emergency telephone number, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, as the bill indicates, the purpose of the bill is to amend the National Transportation Act by adding immediately after section 22(1)(i) the following:

(j) provide for the establishment by all Canadian telephone companies of a universal emergency reporting telephone number.

While I have little expectation or even hope that the bill will be passed, I believe that the discussion of what is proposed can be useful, as the discussion will arouse in the public mind and in communities which will later be effected, an interest in the subject. In this way we will speed up the establishment of a provision such as this which is an additional step in the field of public safety. This additional step involves the establishment of a single emergency number through which people can summon police, fire or ambulance help in any city of Canada or, indeed, of North America because in the United States a great deal of progress has been made already in establishing that single, universal aid number in the telephone system.

I point out that I cannot do better than quote from an article which appeared in *Life* magazine some five years ago. Since that article appeared, the single emergency telephone number has been introduced in some 250 area systems, and an additional 60 systems are to operate with the number by the end of 1974. It will be installed in those systems in the United States, Mr. Speaker. The article reads:

It won't be long before 911 takes over as the most memorable trio of digits in American culture.

The telephone industry . . . has announced that it is ready to start converting its phones to a single emergency number that could summon police, fire or ambulance help in any city on the country.

The wonder of it all is that it took the nation with half the phones in the world until 1968 to decide that the traditional means for reporting emergencies are close to anarchy. In Los Angeles County there are 50 different numbers for the police. In the St. Louis area there are 32 police numbers and 57 for fire emergencies. The numbers themselves, each with a different mind-cracking combination of seven digits, are a guarantee that nobody will be able to remember them when they need them most.

To make full use of the 911 system, cities will have to set up central dispatchers for their emergency services—a process that fortunately is already under way in some areas. And for those citizens stranded with an emergency to report and nothing but folding money in their pockets . . .

American telephone companies will come to their rescue. I continue:

As the 911 systems goes into effect, the company proposes changing all its pay phones so that emergency calls—or those to "0" for operator—will not require a dime to go through. In effect, the nations's 1,363,000 public booths will become direct emergency phones.

The speed with which the new system goes into operation now depends on the cities agreeing to install it. They should regard it as a 911 situation.

I think the value of one emergency telephone number is obvious. In any emergency, time is of crucial importance. In trying to get an ambulance, for example, or police, one uses the nearest telephone as the medium of communication. The injured or other person involved in an emergency who is trying to use that telephone most likely does not know immediately the number to call. He or she, even if a telephone book is available, wastes precious moments looking for the number while injury worsens or flames mount.

Moreover, the person trying to call must first find a ten cent coin which he or she may not have. He may come from another city, where a different emergency call system is in force. He may, in many cities, succeed in reaching the operator and say, "This is an emergency," and the operator will attempt to contact the right source of aid. But this takes time, Mr. Speaker, time which in many emergencies is vital to life or property. Hence, I urge the adoption of the one universally established and used emergency telephone number. This would be a success.

In Canada, Mr. Speaker, the Bell Telephone Company has already reserved the universal number 911 in many places where that company operates. Also, there are at this time six centres operating on the universal 911 number. Four of these are in Alberta, one is in St. John's, Newfoundland and one in Fredericton. Bell Telephone also plans to end the practice of requiring a person to use a coin in order to call the operator or to use the 911 number. According to what I was told yesterday, this is in the works for the future. There are, however, other telephone companies. I have a list of some of them. They use a different system for calling emergency help. Some companies draw little pictures in the telephone books they publish; others, in their telephone books, leave blank spaces in which one can fill in emergency telephone numbers.

The purpose of the bill before us is to amend the National Transportation Act and to provide, by law, for the establishment of the one universal emergency reporting telephone number. If this is to be done, it will require the co-operation of all telephone companies and of all the centres in which the universal number is to be established. In turn, this will mean that those centres of population will have to provide the central agency from which all types of aid can be summoned and relayed. Hence, while I am confident that what is aimed at will appeal to hon. members, yet, even as the author of this proposal, I am sure that the most that we can do at this stage, is allow the subject matter of the bill to go to an appropriate committee of the House where it may be discussed and, no doubt, improved and where witnesses can be heard as to the practicality of what is proposed.

● (1610)

There is no doubt in my mind that by degrees a universal emergency telephone number system is coming. Indeed, it is already in effect in hundreds of areas in North America. To ensure its fullest success, it should be universally known and used. It should be as universally communicated as the illustrated highway signs in North America indicating a hill, or a low bridge or a curve. I urge hon. members to allow the subject matter of the bill to proceed to a committee.

[Mr. Mather.]

Mr. Paul McRae (Fort William): Mr. Speaker, there is no question there is a serious need for a 911 number or other emergency number with which everyone in this country is familiar, so that in an emergency they could get help quickly. This emergency number system should be set up in such a way that a person who does not happen to have a dime could make his call. The government supports the intent of this measure and I believe it is a good thing we should be talking about it this afternoon and supporting it.

There are, however, some difficulties attached to setting up such a system. One of the results of this debate may be to push the communications industry into moving forward a little faster. The telephone companies have been in consultation with the government about the establishment of the 911 number and the conclusion has been reached that certain far-reaching developments are required in close co-operation with all the municipalities concerned. First, a central organization needs to be established by the municipalities concerned and adequate manning of the emergency facilities arranged. In some cities this is already being done. London and Toronto, I understand, have already done so.

The number 911 has been used and other numbers have been employed in various cities. In cities which have not established reporting centres one can, of course, dial emergency centres such as police and fire brigade separately. Once again, delay arises because the user must pick up a directory and look up a number. We all know that it is sometimes not possible to find a directory at hand. This applies particularly to pay phones. There is no question that a universally recognized number such as 911 would be much more convenient.

As I have indicated, some problems have been brought to my attention. Emergency systems, if they are to work, must be simple in operation and combined in a pre-determined network which assures the calling party of reaching the desired emergency control centre with minimum effort and a high degree of reliability. Unless the system is engineered and adapted to all types of switching centres, confusion will result due to different requirements in the territorial areas. We all recognize that different types of equipment are in use in different areas. This is one of the reasons for delay.

Emergency reporting necessitates reaching an interrogation centre where clearcut and appropriate questions can be asked to ensure rapid and correct dispatch of the appropriate people. In manually operated exchanges, a system for the centralization of emergency calls would be essential; trained personnel would accept the call and forward it for appropriate action. As hon. members know, there are still manually-operated exchanges in some parts of the country. In locations not equipped for direct distance dialling, some homing-in of emergency calls for appropriate forewarning is essential.

The question of responsibility for failure or errors is a serious one. Minimization of this potential would require an emergency network to be set up. Suppose a call is made in an emergency and the operator misinterprets it, fails to get the proper address or call back to the right number. Where does the responsibility lie? This is a matter which

might well be considered in connection with the bill before us.

Another matter of concern is whether adequate facilities are available. Supposing there is only one emergency number and a great many people are calling in. Might not a situation arise where calls could not be sorted out quickly and correctly? Then again, an emergency number must harmonize with the normal numbering pattern of exchanges. In some exchanges a five-digit calling system is employed. In others, a seven-digit system. Some of the smaller exchanges use only two or three digits. We should also remember that emergency centres are vulnerable to wide fluctuations in load, so it would seem essential to engineer overflow call answering arrangements.

Then again, personnel at control centres need to be familiar with local conditions. Experience has shown the need for emergency calls to be directed to locations where the recipient has a good knowledge of the local geography and the facilities available, since people calling in emergencies tend to use local or common names for locations, names which could be meaningless to a remote control centre. Obviously, this is one of the problems to be considered, though I believe it can be overcome.

As I say, I welcome the intent of the bill. I have no doubt many lives would have been saved if people had been able to call for assistance quickly enough in an emergency. I urge the government and the industry to pursue this matter as rapidly as possible so that an emergency number system such as 911—and that number is a good one to use—might be available in every community in Canada.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I listened with great interest to the speech made by the hon. member for Surrey-White Rock (Mr. Mather). I want to say I do not believe consideration of this measure by a committee of the House, and its eventual enactment, should founder on the rocks of technological difficulties. I am satisfied the ingenuity of man is such that those difficulties can be overcome quickly, and for this reason I think we ought to support the bill and that it ought to be sent to committee without further debate. I end my speech here.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, it was not my intention to take part in this debate but having listened very carefully until 5.30 this morning to very fine speeches, I was moved to feel that perhaps I should now say a few words on this subject.

● (1620)

The hon. member for Surrey-White Rock (Mr. Mather) might be surprised to know that he and I are kindred spirits or have a kindred feeling toward this kind of legislation. In the few years I have been here he has become known as a member who introduces legislation, not so much in the expectation that it will be adopted but as a prod to the appropriate officials, through debate in the House of Commons, to move very quickly.

I agree with the hon. member for Grenville-Carleton (Mr. Baker) that the subject matter of the bill will commend itself to every member of the House, but I am somewhat apprehensive about having a universal number. I say that for this reason: in talking of a universal number we are talking of emergencies as though they were of a particular type or series. In this regard I have in mind a splendid program called Medic Alert. A specific kind of expertise is required to cope with Medic Alert emergencies. I would be somewhat apprehensive that insufficient consideration would be given to the Medic Alert program if we were to implement this kind of legislation without giving it the thought and discussion it deserves.

I have a daughter who is allergic to penicillin and she must wear a Medic Alert badge. There is a number on the badge that must be called so that the expertise required is immediately available. I would be concerned if someone at the other end of the line who was prepared to handle a traffic victim, or a heart attack or an epileptic seizure emergency, did not have specific knowledge of this particular kind of emergency. It seems to me this would work to the detriment of the individual that you were trying to help, rather than work to his or her benefit. So I file that caveat with regard to anyone considering implementing this kind of approach in the interests of doing what I am sure in all our hearts we feel is the right and proper thing to do.

Very close to my community in the city of Sarnia is the city of London, approximately 60 miles away. I am not exactly sure of the date, but an article appeared in Communications Business of June, 1972, indicating that London was the first city in Ontario to use a 911 number for emergencies. The article describes how the system works. Five police constables operate the system which will be installed in the new police administration building in that city.

I would ask myself whether these gentlemen are properly trained in the approach that should be adopted if an individual, who had a shot of penicillin he should not have had, contacted them. What kind of treatment would they receive? I would be a little apprehensive that this might be thought to be the be-all and end-all because it is the easy way. I hope that the people on the other end of the telephone line appreciate the kind of assistance they might be called upon to give.

I have one further comment. It seems to me the bill is redundant in that the principal telephone companies subject to federal jurisdiction, namely Bell Canada and British Columbia Telephone, have already expressed willingness to supply the service and to co-operate with the municipalities in this regard. I suggest, with respect, that this is where the impetus should come from, not in this particular instance from the government or from this parliament. The expertise is with Bell and British Columbia Telephone and with all provincial telephone companies who know how the system works and the kind of problems that arise. I do not think these would be brought before the committee of the House if the subject matter of the bill were referred to committee for study.

A position statement from Bell Canada, as well as a memorandum from TCTC outlining the situation across the country, was attached to the notes that I have received. It seems to me we have to be careful that we do not move too quickly in a technical field like this, with a group of laymen, albeit intelligent laymen, sitting around a table endeavouring to cope with sophisticated pieces of equipment and a very important subject.

Again, I wonder whether we can pass a piece of federal legislation and almost, in effect, wash our hands of it. Federal legislation can only apply to the two corporations that come under federal jurisdiction, Bell Canada and British Columbia Telephone. Since a universal emergency telephone number system is not feasible without the co-operation of the municipalities who must agree to consolidate emergency services, I again make the point that the system cannot be implemented by federal statute alone. This bill does have that failing. As drafted, it purports to apply to all Canadian telephone companies, whereas all the major telephone companies except Bell and B.C. Telephone are presently subject to provincial regulation. The hon. member made the point that he did not expect this particular bill to carry but it was his hope that the subject matter might be referred to committee. I think that covers my objection to that particular point.

If the concept of a universal emergency telephone number is to be legislated with reference to the federally-regulated carriers, it would appear preferable—I speak as a lawyer with some knowledge of legislation, having been a municipal councillor with responsibility of drafting legislation—to put this particular piece of legislation more appropriately into the Railway Act rather than into section 22(1) of the National Transportation Act. Section 22(1) of the National Transportation Act deals with the powers, duties and functions of the Canadian Transport Commission. Establishment of a universal emergency telephone number is not a matter of powers, duties and functions but, rather, involves the implementation of specific action by the commission.

For the reasons I have cited, I think it is premature to pass this particular bill at this time without giving it a lot more thought. However, I am sure that the publicity this debate will generate will indicate to the federal and provincial carriers the need to give serious consideration to bringing about what I feel is an excellent idea to assist the Canadian public.

Mr. Mather: Mr. Speaker, may I ask the hon. member a question? Having in mind the very valid criticisms he has made of some of the details proposed in this bill, would he still have any objection to having the subject matter of the bill, not passed but referred for further study to the appropriate committee of the House?

Mr. Cullen: Mr. Speaker, that was the point I tried to make earlier in my address. Perhaps I did not hammer it home hard enough. I did not think that a committee of the House, made up of laymen, was an appropriate tribunal for considerating either the bill or the subject matter of the bill. Particularly in light of the recent report brought down by the other place, it seems to me this might be one area where our science and technology could be put to good use. It may be more appropriate to have that department do a little prodding with Bell Canada and B.C. Telephone, with a view to showing the way to the provincial carriers.

Mr. H. T. Herbert (Vaudreuil): Mr. Speaker, as has already been pointed out, the idea of a universal emergency telephone number appears, at least in theory, to be a worthy one. The problems regarding the proposed Bill C-37, an act to establish a universal emergency telephone number, have already been gone over but they are perhaps worth repeating.

• (1630)

The bill appears to be redundant in that the principal telephone carriers subject to federal jurisdiction, Bell Telephone and British Columbia Telephone, have already expressed a willingness to supply this service and to co-operate with municipalities in this regard. I propose in a moment to go over the situation as it exists at the present time.

Since a universal emergency telephone number is not feasible without the co-operation of municipalities, which must agree to consolidate emergency services, it cannot be implemented by federal statute alone. As drafted, the bill before us purports to apply to all Canadian telephone companies, whereas all major telephone companies except Bell Canada and British Columbia Telephone are presently subject to provincial regulation.

Canada's major telephone companies fully support the establishment of a universal emergency telephone number, 911. The telephone companies have met with authorities in most Canadian cities during the past three years and will continue to assist in ensuring that 911 or a temporary alternate is provided when requested. The introduction of 911 throughout Canada, however, must be the result of orderly evolvement in close co-operation with the municipal agencies concerned.

The evolvement should include two specific phases. The first is the centralized organization required by the municipality to bring the emergency services together under one number; for example, police, fire and ambulance. In the cities where this has been done the telephone companies have provided 911 or a suitable substitute. An example can be seen in Toronto where EM1-1111 is a type of universal number. In Winnipeg and Brandon the number 999 has been in service for some time. Edmonton, Calgary and Red Deer have 911 calling for emergencies. In those cities which have not established a centralized reporting service, effort is made to assign easily remembered numbers to the various services. These numbers are prominently displayed in the various directories. Of course, all companies have always offered operator assistance in an emergency through dialing "O".

The second phase of the evolvement to a universal number across Canada is one of technical and financial feasibility. Although the technical expertise may exist to instal 911 service in all parts of the country, the cost in many areas has been such that the community is not prepared to make a firm commitment. As new equipment is installed and technology advances, there is every indication that the installation of 911 will progressively advance.

The individual status report is worthy of reference. The Newfoundland Telephone Company Limited is presently negotiating with the government of Newfoundland on behalf of the city of St. John's to provide 911 service. At the present time there are no communities in Nova Scotia using a universal emergency number system, but the Maritimes Telegraph and Telephone Company Limited is prepared to provide the number 911, subject to agreement with civic authorities. There are no communities in New Brunswick using a universal emergency number at

present. However, the New Brunswick Telephone Company Limited will work with any community to provide 911 or another three-digit number if the cost of conversion to 911 is not excessive.

There are presently no plans to establish 911 calling in the Quebec Telephone territory. The company policy of Bell Canada is to provide the 911 service code on request from governing municipal bodies, subject to the conditions to which I have already referred. Bell has held or is anticipating holding discussions with municipal authorities in many centres in Ontario and Quebec. Northern Telephone Limited has had discussions and has prepared quotations for three of the major cities in the system's territory. In the Manitoba Telephone System the number 999 is provided as an emergency reporting number for the cities of Winnipeg and Brandon which encompass 65 per cent of the main telephones in Manitoba.

Saskatchewan Telecommunications is capable of providing 911 now in Saskatoon and will be capable of providing it in Regina in 1975, but to date no municipal commitment has been made. Saskatchewan Telecommunications will be prepared to review this matter in all centres on request. Alberta Government Telephones presently provides 911 calling in the cities of Calgary and Red Deer, with Lethbridge planned for 1973. The AGT will work with all municipal jurisdictions in Alberta to assist in establishing 911 for all communities.

The Edmonton telephone company presently provides 911 service for the city of Edmonton. The British Columbia Telephone Company is prepared to work with the various municipalities in introducing 911 as a universal emergency number.

If the concept of a universal emergency telephone number is to be legislated with reference to the federally-regulated carriers, it would appear preferable, as has already been mentioned in this debate, to insert it in the Railway Act rather than in the National Transportation Act. The establishment of a universal emergency telephone number is not a matter of powers, duties and functions but, rather, involves the implementation of specific action by the commission.

There is little more that one can add at the moment to what has already been said on the question of jurisdiction. I think the matter has been well reviewed but I will leave it to another member of the House to wind up this debate.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I think the idea of an emergency number 911 is excellent. I believe that after the debate last night the Conservative party is badly in need of an emergency number in order to get out of the situation it has created for itself.

Mr. Dinsdale: Ask the Canadian public about that, John.

Mr. Reid: When dealing with bills presented by private members to illustrate ideas, I always have a great deal of fear in my soul when it comes to debating a motion put forward by the hon. member for Surrey-White Rock (Mr. Mather). His ideas are always intriguing and a little off what we would normally term the beaten path. They are sometimes difficult to talk out as they are usually short and simple, and the ideas presented are usually clear. One has no alternative but to deal with the substance of what he has proposed.

Mr. Stanfield: Is that what you are doing?

Mr. Reid: It is a good thing there are not many members in the House of Commons like the hon. member for Surrey-White Rock. If there were, there would be too many decisions taken by this House of Commons, and that would certainly destroy the reputation we have of being a place not of action but of talk.

Mr. Stanfield: You are setting a pretty good example right now.

Mr. Reid: I want to make it perfectly clear to the Leader of the Opposition (Mr. Stanfield) that it is not the government which is afraid to make decisions, it is the opposition which continually holds back excellent legislation for the purpose of debating it one more time and making one more speech. Perhaps what we really should do in this House of Commons to eliminate this difficulty is take a leaf out of the book of Westminster, the mother of Parliament in London, by attempting to work out an equitable system of allocation of time and decide how much time should be wasted on legislation—

● (1640)

Mr. Speaker: Order, please. I think the hon. member has the wrong number.

Mr. Reid: Mr. Speaker, as usual you are quite right. I am appreciative of your comments, particularly as I noted that you were awake at five o'clock this morning to handle affairs in this House while I was not here.

I should like to deal with the points raised by the hon. member for Surrey-White Rock. As I said before the idea is crystal-clear that there ought to be in legislative form some kind of obligation upon telephone companies in Canada to produce a number that would be easily remembered by people who have cause to fall into emergency circumstances. The question, however, is whether or not the proposal the hon. member has put forward is really necessary.

I listened with some interest to the speech given by the hon. member for Vaudreuil (Mr. Herbert), who indicated all the areas in Canada in which this idea is being put into effect. I think it is important to point out to the hon. member for Surrey-White Rock that the areas he described in which this process is going into effect are outside federal jurisdiction. In other words, the idea has been accepted, not only by the telephone companies but by all the agencies with whom they must deal, and the process has been set in motion. The question I would put to the hon. member is this: if what he proposes to have done is in fact being done, is it necessary for us to enact legislation? I believe that it is not necessary; that it is a waste of time of the House of Commons to pass redundant legislation or to pass legislation to confirm what is already going on in jurisdictions which have the actual responsibility.

I admit this perhaps might be a small point, but it seems to me it is a very bad habit for a legislative assembly to

latch on to a good idea and legislate on it merely because it is a good idea. I would rather have the House of Commons deal with those areas in which there is no agreement, and where there is a need to focus attention on items which are current. If the emergency number is being put into effect, then it seems to me quite clear that it is not necessary for us to deal in a legislative fashion with this principle. So, I am opposed to it on that count.

An article was reprinted in a communications publication of June 1972, which was taken from an article printed in the *Bell News* which described the situation in respect of the development of the emergency number in the city of London, Ontario. The way in which this has been put together is interesting, because it eliminates some of the great difficulties which plague the telephone companies in attempting to work out a universal system to provide the service which the hon. member for Surrey-White Rock would have us enshrine in legislation.

The basic problem I believe can be summed up in a short statement. If it were the telephone companies which were operating the emergency number it would be the legal responsibility, presumably, of the telephone companies for the relaying of the message to the proper source. Indeed, one of the problems is, what is a definition of an emergency. Some surprising things occurred when the government instituted the Opportunities for Youth Program and the Local Initiatives Program. There were quite a number of distress centres which were funded under these grants in order to meet the wide variety of emergency needs Canadians had. At the beginning, I thought this was a waste of funds. I did not believe at that time that there was a requirement for such funds to be spent in providing that kind of emergency service. However, it takes very little time to examine the record of these distress centres to realize that indeed they are required, and that there is a need which apparently has been demonstrated.

The needs which these centres have been dealing with have been quite different from the type of needs outlined by the hon. member for Surrey-White Rock. The kind of needs which I think have been focused on by these programs have been those which have to do with the needs of people who are lost, alone or isolated. They phone the distress centres in order to find someone to talk to and to find assistance in dealing with social problems. I wish to draw to the attention of the hon. member that we are dealing not with simply an emergency number system but with a whole gamut of emergency matters which have been identified over the past few years.

When I read the bill for the first time, I thought that the term "emergency" applied to an attempt to find police, fire and other services in the traditional sense of an emergency. That really is not the problem. On the contrary, the problem is to deal with other emergencies which people come upon from time to time. I would suggest, for example, that in the position in which the Leader of the Opposition (Mr. Stanfield) found himself when his party ran out of control late in the night, he could have used an emergency number which he could have called in order to shut them up. If this is the purpose of the hon. member's bill, I will accept it because there has been no unity in that party. At least we have not seen it yet, and if we found it I know this government would be in trouble.

[Mr. Reid.]

Mr. Mather: Mr. Speaker, on a point of privilege, may I say that I wish the hon. member, if he insists on getting his wires crossed in respect of my bill, would not plug me into either of the old-line parties.

Mr. Reid: It may well be, Mr. Speaker, that we should have given your number to the Leader of the Opposition so that you might have been able to help with the voice of sweet reason in respect of what went on last night.

Mr. Dinsdale: There is not much reason over there.

Mr. Reid: There certainly is. We decided to accept the verdict of the people of Canada in October. It is the will of the people of Canada that this is the House of Commons and that the House of Commons should govern Canada as best it can.

Before I get a wrong number, perhaps I should return to the subject of the emergency number. This emergency system which has been set up in London, I think, meets the real needs of the community. I think it is important that the distinction between what the hon. member has proposed, what actually are the requirements, and the way in which the community of London has moved, should be indicated. I do not think it is necessary for us in this country to legislate an obligation upon the telephone companies which is not necessary when there are more important and locally effective responses to the problem which I believe has been properly raised in this House of Commons.

In the article to which I referred, the proposal is that the police and fire departments would be linked to the 911 emergency system. It is to be manned by a number of police constables who will then take the calls outside of those two and refer them to the appropriate agencies. For example, the 911 system will be the emergency answering service for all police, fire and ambulance services in London. But in addition to that it says:

● (1650)

> The 911 system will provide substantial benefits for the public. A person who is in need of emergency or protective service will no longer have to remember the number for each agency or which agency deals with his particular problem. By dialling 911 he will reach a central agency, manned by senior police constables and his call will be directed to the proper agency.

That seems to me to be a local response to a local problem. I do not believe that a bill of this type, which tries to deal with local problems on a national basis, is an appropriate vehicle for what the hon. member sincerely wants to do. The article also points out that the initiative for the idea came from a local alderman back in 1967 and that over the years the city of London, through its city council, has been able to develop the kind of program which it required to meet its own perceived needs. It did this with the co-operation of local telephone companies, with the agencies of both the federal and provincial governments and with its own agencies.

It seems to me that while we can encourage the telephone company and the federal government agencies to do this kind of thing, what we really should be doing is going out to encourage the local people, the local communities to set up this kind of system, because the telephone companies are well prepared to co-operate in any way they

possibly can. I am in full sympathy with what the hon. member is proposing but I am opposed to the way in which he wishes it to come about, because I do not believe it is our role.

THE ROYAL ASSENT

[*Translation*]

Mr. Deputy Speaker: I have the honour to inform the House that a communication has been received which is as follows:

Government House,
Ottawa, September 14, 1973

Sir,

I have the honour to inform you that the Honourable Wishart F. Spence, O.B.E., Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 14th day of September, at 4.45 p.m., for the purpose of giving Royal Assent to certain bills.

Royal Assent

I have the honour to be,
Sir,
Your obedient servant,
André Garneau
Administrative Secretary
to the Governor General

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

● (1700)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-129, an act to amend the Crop Insurance Act—Chapter 33.

Bill C-223, an act to amend the Family Allowances Act and the Youth Allowances Act—Chapter 34.

Bill C-219, an act to amend the Old Age Security Act—Chapter 35.

Bill C-220, an act to amend the statute law providing for the payment of supplementary retirement benefits to certain persons in receipt of pensions payable out of the Consolidated Revenue Fund—Chapter 36.

At 5.05 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, September 17, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

ANNOUNCEMENT OF NATURE OF REVIEW, PUBLICATION OF GREEN PAPER, AND NATIONAL CONFERENCE— TABLING OF STATEMENT

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, during the consideration of the amendments to the Immigration Appeal Board Act I informed the House that the government was continuing its review of the whole field of immigration policy with an eye to Canada's long-term needs. I wish now to inform the House of the steps the government is taking to intensify work on these questions and of the schedule it has set for its completion.

The task, as I think we all recognized during recent debates, is enormous and urgent, and the government intends to proceed without delay. The first step must be to identify all the options, and for this purpose I have appointed a small group of people to deal with this task. We will need a great deal of help. I am writing today to provincial governments and to over 100 organizations enclosing a statement of the problems under study and inviting them to tell us about their particular concerns and to give us their advice. With your leave, Mr. Speaker, I am tabling copies of this statement in both official languages, pursuant to Standing Order 41(2), in each official language.

The target for the completion of this first stage, which will also involve a series of special studies, is next spring. The results will be published in the form of a document, a "green paper", which I am confident will provoke further national discussion. I want to emphasize that we will be seeking the widest possible spectrum of public opinion on the green paper. In addition to seeking the views of the provinces, the territorial governments, members of parliament and briefs from interested groups, I am proposing that a national conference on immigration and population be convened, sponsored by my department.

The green paper will, I hope, provide a good focus for debate. It will do three things particularly. First, it will identify the problems and analyse policy options in terms which will relate immigration to the kind of Canada that we might want. Second, it will review the techniques and procedures by which immigrants are recruited. Third, it will review the whole legal framework within which new policies should operate.

The end result at which we are aiming is a comprehensive policy, to be expressed in new immigration legislation for submission to parliament. Our goal is an up to date instrument to shape Canada's future immigration policy which will crucially affect and determine Canada's economic, social, cultural and demographic growth.

With leave, I should like to table the further statement in both official languages.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, on behalf of my party I certainly welcome the minister's statement. I should like to re-emphasize the intent of his last sentence, which we share and accept. He said:

> Our goal is an up to date instrument to shape Canada's future immigration policy which will crucially affect and determine Canada's economic, social, cultural and demographic growth.

I would only add one rider. We on this side of the House, and I am sure all hon. members, suggest that the goal should be an up to date instrument based not on race, creed, colour, sex or national origin but on the ability of the person who comes willingly to Canada in freedom in order that he may ultimately share in the great destiny of this country.

I am pleased to note that the government now realizes that immigration policy cannot be implemented by regulations but should be instituted by legislation. In order to get away from regulations in terms of the Immigration Appeal Board we have found that it was necessary to bring in legislation. Legislation has had to be introduced to deal with certain decisions made by the Immigration Appeal Board that have embarrassed the government.

I should also like to say we should never forget, though some may find fault with this view, that this country was built by thousands of unskilled and uneducated people who came to this country believing in the work ethnic. Many Canadians have forgotten this. Many Canadians have cast aside an appreciation of the work ethic. When we think of the new policy that must be introduced through legislation I hope we will not forget that if this country has reached any greatness it is as a result of the efforts of those who did not have as much education or possess the skills of people today but were sincere in the belief that they were coming to a land of opportunity where they have made their mark. There are many such success stories.

● (1410)

Let me further emphasize the need for consultation with the provinces. I am glad to see there is to be provincial consultation because it seems to me the federal government has abdicated its responsibility in regard to the social services needed by many immigrants. There is a very great need by many immigrants for language training in order to increase their ability to become integrated into

our society. There is a need for them to be advised about the many different government services that can be placed at their disposal. There is a need for accommodation and jobs. In this regard there must be more co-operation and consultation with the provinces.

We await the national conference on immigration because we all wish to contribute in respect of input. We await the green paper. I commend the minister and the government for the steps they are taking. They may rest assured that they will have the wholehearted support of members of the Progressive Conservative party.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the question of immigration has been of importance to this country ever since white people first began to come to what is now Canada. There are many important aspects of the question. How many people should be encouraged to come to Canada? There have been great differences of opinion in this regard. There is the question of from which countries we should encourage people to come. Opinion has changed in this regard over the years. At one time immigrants were almost exclusively from Great Britain and northern Europe. This situation existed for many years but has now changed drastically. We now have immigrants from Asia, Africa, the West Indies and southern and eastern Europe.

These are all matters of great concern. We welcome the idea of a national conference at which the provinces and the various community groups, ethnic, religious and racial that have a particular interest, will be represented and will be able to make their views known so that hopefully the government may arrive at policies based on a consensus of the people who participate in that conference.

I reiterate what we have said on so many occasions in the past. The rate at which we admit immigrants into this country is in the final analysis decided by the federal government. As a result of the provisions of the BNA Act to a large extent, many immigrants who come to this country who are not fluent in either English or French, the official languages of the country, become to a large extent the responsibility of the provinces and municipalities in respect of the provision of education and the knowledge of Canada they require if they are to become active participants in this country. I say to the minister, as we have said in the past, that we believe the federal government must take a much larger responsibility in fact as well as in law to help the provinces, the municipalities and local communities develop the ability of new Canadians particularly those who are not knowledgeable in either English or French, so they may play a full part as Canadian citizens after they arrive in Canada.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, we must state positively that this time, we are fully in agreement with the minister's statement.

We notably welcome the fact that, firstly, it deals with the establishment of a long term policy, and this is the reason for our concurrence. We also welcome the fact that, secondly, the government and the minister thought of providing for consultations and negotiations so as to come to an understanding with the provinces.

[Mr. Alexander.]

We dare hope that the widest possible spectrum of public opinion which is being sought, as mentioned also on page 2 of the statement, will help reach the goals which the minister has set and which I think are those of Parliament as a whole.

[*English*]

Mr. Baldwin: Mr. Speaker, I rise on a point of order by way of a caveat. I have not had a chance yet to see the document the minister sought to table under Standing Order 41(2). It may be quite valid and he may be entitled to do so. I simply want to say there is a difference between making a statement on motions under Standing Order 15(3) and tabling a document under Standing Order 41(2). It may well be that a minister may make a statement which may be a condensation of what he tables. That is perfectly all right and takes less of the time of the House. But if what the minister tables is in effect a propaganda document or press release to which he refers in his statement, then we would take very strong exception to it. I have not had a chance to see the document, but I thought I should file that caveat now so this procedure would not be completed without our having had an opportunity to say we object at this time.

Mr. Andras: Mr. Speaker, that is acceptable. I sent copies to the opposition critics earlier today.

Mr. Speaker: As hon. members know, this point of order was raised last week. As raised in the previous instance the point had perhaps more validity, as I understood it, than today. I am in full agreement with hon. members who raise this point that there are two standing orders, one providing for the tabling of documents and the other for the making of statements. There is a third possibility open to ministers, that is, to make a statement outside the House. I have felt and ruled in the past that perhaps it was not consistent with the spirit of the rule to table in the House under Standing Order 41(2) a statement that a minister may want to make outside the House, in other words, to table under the Standing Order a statement to be made outside the House.

The overriding difficulty in so far as the Chair is concerned is that if hon. members object on a regular basis to the tabling of documents under Standing Order 41(2), the Chair would be placed in the position of having to exercise some measure of censorship and having to examine all documents that are going to be tabled and decide whether such documents are of a nature that they can or should be tabled under Standing Order 41(2). I remind hon. members that when this Standing Order was enacted by the House a few years ago it was for the very purpose of making it easier for the House to receive documents or papers from members of the cabinet, and I assume it is for that purpose that these documents are being tabled under the Standing Order. I would hope there would be general agreement among members of the House as to what type of documents are envisioned under the terms of Standing Order 41(2).

● (1420)

Mr. Stanfield: There is just one point, Mr. Speaker. I am sure the minister did not mean to mislead the House in any way but, as I understood him, he said that he had sent

copies of the statement he tabled to the opposition parties. What the minister sent was sent to my office, which is the usual practice, but he simply sent the statement he has read to the House. I call that to his attention. He did not send me a copy of what he has tabled, although obviously he is sincerely under the impression that he did so.

Mr. Andras: The Leader of the Opposition is quite right. If he did not get a copy of the statement I tabled, that was an error or misunderstanding on my part. I thought I sent both the statement I read and the statement I tabled.

* * *

TRADE

STATEMENT ON GATT MEETING IN TOKYO—TABLING OF DECLARATION OF MINISTERS

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I should like to make a brief statement on the Tokyo Declaration to which Canada is a signatory. The Tokyo Declaration officially opens the seventh round of multilateral trade negotiations conducted under GATT. These negotiations will be of unprecedented scope covering both tariffs and non-tariff measures which restrict or distort trade in industrial and agricultural products. The negotiations will include the first systematic and comprehensive attempt to reduce or eliminate non-tariff measures and bring such measures under more effective international discipline.

As a result of Canadian efforts the negotiations will also include, for the first time, a systematic examination of the possibilities of reducing or eliminating all barriers to trade in selected commodity sectors. These negotiations hold out the promise of potential benefits larger than those achieved in any previous negotiation. For these reasons the Tokyo Declaration is a very important document, and the fact that representatives of 102 countries assembled to consider and approve it provides ground for believing that this venture will succeed.

Pursuant to Standing Order 41(2) I should like to lay on the table of the House, in both official languages, the Declaration of Ministers approved by 102 countries at the GATT meeting in Tokyo last week.

Hon. Paul Hellyer (Trinity): Mr. Speaker, first of all I should like to welcome the minister back from the GATT meeting in Tokyo where he participated at the kick-off of the new round of negotiations. I am sure he is as aware as anyone that the goal posts are still far removed and that a good deal of tough bargaining is going to be necessary if we are to achieve a satisfactory result by 1975.

With the philosophy of further liberalization of world trade this party is profoundly in accord. Certainly no country is more dependent on world trade than Canada. No country exports as large a proportion of its national output as Canada. Therefore no country is as vulnerable to the results of world trade negotiations as Canada.

This is particularly significant at the moment when the world seems to be dividing itself into trading blocs, when Canada, if we are not careful, could be excluded from ready access to the great international markets of the

world and when, if we are to be successful and develop fully the talents we have in this country and the high technology industries, we will have to ensure that we have access to the great, powerful, industrialized markets in other countries, including, of course, the European bloc, the United States and Japan.

Probably the Japanese challenge is the greatest of all, Mr. Speaker, and it is reassuring to know that non-tariff barriers are to be attacked as well as the tariffs themselves. It is rather discouraging to look at the results for last year and to realize that less than 3 per cent of Canada's exports to Japan last year were in fully finished products. I hope the minister used the opportunity that was available to him in Tokyo to impress upon the Japanese the necessity not only of balancing our trade fully but also of guaranteeing that within a reasonable period of time, perhaps three or four years, fully half of Canada's exports to that country will be in the form of fully finished products. The minister is going to have to develop considerable backbone if he is going to achieve this and he is going to have to talk tough to the Japanese. I would encourage him in this regard. Certainly this is one of the greatest potential markets in the world for Canadian products, and any failure on his part will not be well received by the Canadian people. If I may make one suggestion, Mr. Speaker, it would be that the minister consider building a permanent facility in Tokyo which could be used by Canadian manufacturers to show the products we have in this country and which would enable Canadians to expand substantially their exports of manufactured products to Japan.

It is equally important that we tackle vigorously the non-tariff barriers to our agricultural products in the European community. Here our interests seem to lie very much along the same lines as those of our American neighbours. The minister and his officials should work very closely with the Americans in putting all possible pressure on the European community to lower the barriers that now exist in order to give reasonable access to Canadian farmers for their products.

One further point which I think deserves emphasis is that in working out the new agreement there would be a determination to pay special attention to the needs and aspirations of the developing countries. They should be given a chance to participate more fully in world trade and earn for themselves the foreign exchange necessary to buy capital equipment and other products they require to develop their own economies.

This is welcome news, Mr. Speaker, but I think the final point that must be made is that no amount of success in these trade negotiations will achieve the results required unless at the same time we can achieve a tremendous improvement in international monetary arrangements. I would hope that the minister would press his colleague, the Minister of Finance (Mr. Turner), to go to the International Monetary Fund with some fresh thinking. Information already available would indicate that perhaps we might fall into the trap of repeating the mistakes that were made at Breton Woods in 1944. It does not matter what the tariff arrangements are or what the conclusions are in respect of non-tariff barriers if we have an interna-

tional monetary system that produces crises every year or two.

I would say that of all the problems facing the trading world at the present time one of the most important, and probably the most important, is the resolution of international monetary arrangements and the necessity for the injection of some new thinking in this area.

We wish the minister and his officials well and hope they will be able to solve not only our trading problems but that through pressure on the financial group the orthodoxies of the past will be discarded and we will get an international arrangement which will be efficacious and allow Canadians to develop along the lines we all wish to see.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in welcoming the statement the minister tabled today I would like to add that we in this party look forward to the particular trade policies of the government in the areas that are listed as part of the general concern in the statement. We have not had any general indication from the minister or the government of their over-all trade policy. We hope it will be established in these negotiations in the days ahead in a way that will benefit not only Canada but other trading countries.

I should like to make three specific points. First, we should like to see the negotiations that have just begun lead to a general liberalization of agricultural trade. In particular, we would like to see ready access to the markets of western Europe for Canadian farmers. We know very well that for years that part of the world has had a highly protective system for agriculture which has barred the full, liberal entry of Canadian agricultural produce. We hope the Minister of Industry, Trade and Commerce is pushing for significant changes in that direction and for changes that will include orderly world marketing procedures so that the Canadian farmer will not be left in the kind of vacillating position in which he has found himself in recent years.

● (1430)

The second point I wish to make and I do so briefly, has already been referred to by the spokesman for the Conservative party. It is very important to see that non-tariff trading barriers are discussed as well as tariffs. This is particularly important in terms of Canadian access to the Japanese market which has become one of the most important in the world. If I may take one particular commodity I know something about, it happens to be the case that North Americans produce small automobiles at world competitive prices, including Japanese prices, but they are effectively excluded by non-tariff barriers from the Japanese market. It is this kind of situation that has to be changed if Canadian producers of secondary goods, not only automobiles but the whole range of secondary goods, are to gain access to that very important world market. I hope the minister is pushing the case for the removal of non-tariff barriers very strenuously.

The final point I wish to make on behalf of our party is that we welcome the newly expressed concern about the particular problems of developing nations. For too long the industrial world, including Canada, has developed a series

of trade policies which have frequently been in the guise of aid or development for the underdeveloped world but which, in terms of any serious cost-benefit analysis have always turned out to be to the advantage of the developed world. I for one welcome the putting on the agenda of recognition of the special problems of the poorer countries in the world and the indication that the richer nations are going to establish trading principles which, for once, might not work to the disadvantage of the poorer countries.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, we were glad to hear the Minister of Industry, Trade and Commerce (Mr. Gillespie) speak about the international trade agreement endorsed by 102 countries.

We hope that Canada has acted in such a way as to improve its situation in the fields of import and export and that we will have, among these 102 nations, not a top place, but at least a place equal to the others. What I mean is that we should not be satisfied to deal with other countries by selling or giving away most of our raw materials, by not finishing our products at home, while other countries use our raw materials to finish their products and selling them to us afterwards.

I think that after these discussions, after these agreements, the government should be able to make decisions about processing at home our raw materials as completely as possible and create secondary industries; there is a terrible lack of these in various regions of the country. And by creating needed additional secondary industries, Mr. Speaker, we would not merely be raw materials sellers, but we could deal with any country on an equal basis concerning products made in Canada, and not in Japan or in the United States. This is my wish.

We congratulate the minister for reaching these agreements with the 101 countries gathered in Tokyo, but we would like that, after this very important meeting, Canada carries out decisions in favour of all Canadians.

* * *

ENERGY

TABLING OF COMMUNIQUÉ ON QUEBEC-CANADA MEETING

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, under Standing Order 41(2), I wish to table the joint press release on the Quebec-Canada meeting on energy.

[*English*]

Mr. Baldwin: Mr. Speaker, if it is a press release, I object. It is not even a good press release.

Mr. Speaker: Hon. members will appreciate once more the procedural difficulty in which we are placing ourselves. The rule is clear. I have referred to the rule on a number of occasions. I am sure that everyone in the House knows what Standing Order 41(2) provides and is aware of the terms of Standing Order 15. I said earlier today, last week and on a number of previous occasions that the purpose of Standing Order 15 is to allow a minister, a

member of the government, to make a statement on motions, to which representatives of the parties in opposition can respond. The purpose of Standing Order 41(2) is to table a document or paper relating to the administrative responsibilities of the government or of a particular department. The third alternative is for ministers to make statements outside the House, which our Standing Orders do not preclude and which has been the practice on many occasions in past decades and more.

What is being suggested now is that when a document is sought to be tabled by a minister the Speaker should suspend the work of the House and look at a document which may be five or ten pages long and determine whether it is the kind of document that could be tabled under the terms of Standing Order 41(2). The previous document tabled by the Minister of Manpower and Immigration was even longer than this one. I am sure it is not the wish of the House that we suspend the sitting every two minutes for half an hour so the Speaker can study a document to determine whether it is a document that is acceptable under Standing Order 41(2). I would really think that the responsibility should be that of the minister who tables the document—

Some hon. Members: Hear, hear!

Mr. Speaker: —to determine whether he is complying with the spirit of the rule. This is what all hon. members would expect, and certainly it is what the Chair would expect.

* * *

FOOD PRICES

CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE

Mr. James A. McGrath (St. John's East) moved:

That the Second Report of the Special Committee on Trends in Food Prices, presented to the House on Wednesday, July 15, 1973, be concurred in.

Mr. Baldwin: On a point of order, Mr. Speaker, there have been some discussions, informal and formal, with regard to suspending this motion until the normal question period has been completed. I think that is acceptable to all parties. I have talked to members on the government side and to the other parties. I think the government, as a result of its deliberations over the weekend, might be able to answer a number of questions today, after which we could probably proceed with the debate.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: This order of business will be called immediately on the calling of orders of the day.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

*COST OF HOUSEHOLD MAILER "POSTAL NEWS OTTAWA"

Question No. 2,251—**Mr. Reynolds:**

1. What was the cost of the household mailer called "Postal News Ottawa"?

2. Was this same household mailer used in other areas of Canada and, if so, what numbers were mailed out and at what cost?

3. Was there any money spent advertising this same program (a) in magazines (b) in newspapers (c) on radio (d) on television and, if so, how much?

4. What is the cost to the government for new mail boxes and for painting old ones for this program?

5. What studies were carried out to prove this system?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer to part 1 is $3,437.86; part 2, 4,235,000 cost—$87,144.71; part 3, (a) nil, (b) nil, (c) nil, (d) $179,000; part 4, $342,000 for the 60 cities under the assured mail program; part 5, In depth studies were carried out by departmental officials, over a period of two years, especially by marketing and operations.

DEPARTMENT OF PUBLIC WORKS EXPENDITURES EXCLUDING SALARIES

Question No. 2,352—**Mr. Bawden:**

How much did the Department of Public Works spend, by province, in each of the past five years (excluding salary expenditures) and for each of the first six months in 1973?

Hon. Jean-Eudes Dubé (Minister of Public Works): Following is a schedule showing the expenditures by province in each of the past five fiscal years and for the first three months of the 1973-74 fiscal year (excluding salary expenditures).

Department of Public Works

Summary of Expenditures other than Salaries ($000)

Fiscal Year	Newfoundland	Nova Scotia	New Brunswick	Prince Edward Island	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Outside Canada	Total
1968–69	16,112	14,867	8,711	5,322	39,562	103,025	9,779	2,967	5,379	13,036	6,044	1,984	885	227,673
1969–70	12,082	16,057	5,742	2,062	37,536	105,474	7,358	4,204	10,688	17,344	6,885	1,778	695	227,905
1970–71	16,949	8,040	8,818	1,196	66,156	123,651	8,450	4,386	5,624	18,224	6,874	1,866	661	270,895
1971–72	5,469	7,912	5,282	1,009	57,311	145,264	10,762	3,118	7,162	16,647	6,145	3,260	953	270,294
1972–73 1st. Qtr.	4,664	7,940	8,314	1,199	54,521	162,369	9,856	3,205	8,049	22,333	9,844	4,246	2,410	298,950
1973–74	427	1,326	849	101	10,789	26,086	1,366	766	2,961	3,887	1,963	666	362	51,549

Order Paper Questions

AGASSIZ CORRECTIONAL CAMP ESCAPEES

Question No. 2,381—**Mr. Schumacher:**

1. What were the names of the two prisoners given passes from Agassiz Institution in April of this year to attend a dance and who have not returned?

2. Were these prisoners escorted and, if not, for what reason?

3. In how many cities have fraudulent certified cheques issued by these people turned up?

4. What are the names of the cities in question and what is the amount involved in each case?

5. What is being done to apprehend these people?

6. Were these people in prison on a first offence and, if not, how many offences had each one had previously?

7. What is being done to determine the responsibility for the financial losses incurred by citizens as a result of these fraudulent cheques?

8. What are the qualifications of the person (a) responsible for granting passes to these people (b) recommending passes for these people?

9. What specific action has been taken to prevent further happenings of this nature?

10. What compensation is the government prepared to allow to those who have suffered loss or harm at the hands of those prisoners who are (a) on temporary leave (b) on extended freedom without permission?

Hon. Warren Allmand (Solicitor General): 1. Jeffrey Kinzel and Thomas Schmidt. On March 30, 1973, Kinzel and Schmidt with four other inmates from Agassiz Correctional Camp (minimum security) attended a lecture given by the Ontological Society at the Peter Pan Ballroom, Vancouver. The Ontological Society, a religious philosophy organization, has been working with inmates at Agassiz Camp for some time. During the lecture Kinzel and Schmidt were given permission to go to the washroom. They did not return.

2. Yes.

3 and 4. Unknown. Investigations concerning the commission of such crimes is a provincial responsibility.

5. Upon the inmates' failure to return, the Penitentiary Service escorting officer reported by telephone to his superior who, in turn, alerted the R.C.M. Police detachment. The RCMP immediately placed an all points bulletin with the Vancouver City Police. Further action in respect to the apprehension of these two individuals now rests in the hands of the police.

6. Both inmates were serving their first federal penitentiary term. Inmate Kinzel had three previous convictions. He served two terms in a provincial institution and one six-month suspended sentence on a $100 bond. Inmate Schmidt had four previous convictions for which he served sentences in Provincial institutions.

[Mr. Dubé.]

7. This is a matter falling within the ambit of responsibility of the Attorneys General of the provinces concerned.

8. (a) The Director, Agassiz Correctional Work Camp has served 24 years with the Canadian Penitentiary Service. He entered the Service at Stoney Mountain Institution in 1949 and became a Staff Training Officer in 1957. In 1964, he was appointed Chief Instructor for the Canadian Penitentiary Service Staff College, New Westminster, B.C. During his service career he successfully completed Penitentiary courses on Management, Supervising, Teaching, and Evaluation and Planning. He was appointed Director, Agassiz Camp in March 1968. (b) The Inmate Training Board, made up of the Director, Administration and Supply Officer and two Classification Officers, is responsible for recommending passes for inmates. The Administration and Supply Officer has been with the Penitentiary Service 14 years. He began his career at British Columbia Penitentiary supervising inmates in the Stores Department. In 1962 he was appointed Assistant Stores Keeper, Mountain Prison. He served as Acting Administration and Supplies Officer, Agassiz Camp in 1969, and has on a number of occasions been Acting Director for the Camp. In 1965 he was ordained a Minister of the Reorganized Church of Jesus Christ of the Latter Day Saints. In addition, he has completed courses in Human Development at Douglas College. One of the Classification Officers has been with the Penitentiary Service since 1963 when he was appointed Protestant Chaplain at Agassiz Correctional Work Camp. In 1967 he was appointed to the position he now holds. He is an Arts graduate of the University of British Columbia, where he majored in Psychology. He received his Bachelor of Physiology in 1964. He completed a Human Relations Course at Douglas College in 1972 as well as in-Service courses on Counselling Techniques, Sociology of Deviant Behaviour, Criminology and Penology and Psychotheraphy. The other classification officer was employed as an Assistant Classification Officer for a period of three months. He holds a Bachelor of Arts Degree from Simon Fraser University and is currently a Classification Officer at Mountain Prison in Agassiz, B.C.

9. The Canadian Penitentiary Service issued a revised Commissioner's Directive on Temporary Absence which directs that group temporary absences to outside functions may only be carried out where satisfactory security arrangements can be made. The Directive also requires institutional authorities to carefully assess the escort needs for such occasions, and to conduct an advance check of the proposed site of the activity, as well as notifying the responsible police force of the intended activity.

10. Save where legal liability exists, there is no authority for payment of compensation other than by obtaining an Order in Council for the making of an ex gratia payment in individual cases of hardship. This matter is under review to determine whether the present situation should be modified, and if so to what extent.

SUBSIDIES AND INTERNATIONAL ASSISTANCE LOANS

Question No. 2,436—**Mr. McKinnon:**

1. How much money has been given to each of the countries of Senegal, Chad, Mali, Mauritania, Niger and Upper Volta in the fiscal years 1970-71, 1971-72, 1972-73, in the form of (a) Canadian International Development Agency grants (b) International Development Assistance loans?

2. What, if any, special programs has the government initiated or participated in to assist these countries affected by a disastrous drought?

3. What has the cost of these programs been to date?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. During fiscal years 1970-71, 1971-72 and 1972-73 we have paid the following amounts in the form of subsidies and loans to the countries listed below:

Gifts

Country	1970-71	1971-72	1972-73
	$	$	$
Chad	248,600	262,100	237,900
Mali	104,800	725,148	203,200
Mauritania	47,000	104,700	83,800
Niger	2,465,400	1,582,632	1,874,100
Senegal	3,182,200	5,381,200	4,507,000
Upper Volta	84,800	499,700	454,500

Loans

Country	1970-71	1971-72	1972-73
	$	$	$
Chad	—	—	—
Mali	—	—	—
Mauritania	—	—	—
Niger	—	5,608,300	5,966,900
Senegal	—	—	339,000
Upper Volta	—	—	—

2. Bilateral donors including Canada were asked to provide strong support for the emergency aid effort coordinated by FAO for the African countries of the Sahel region. Canada agreed to allot an additional $3.8 million in food aid over and above the amount of $3 million already allocated for fiscal year 1973-74 for the Francophone countries of the Sahel region. The total amount of $6.8 million in food aid will be distributed as follows: $1 million, Senegal; $1 million, Niger; $1 million, Upper Volta; $1.2 million, Mauritania; $1.4 million, Mali; $1.2 million, Chad. To avoid congestion in the principal ports serving the Sahel region, Canadian food aid will be shipped in accordance with the operations schedule set up by FAO. In addition, Canada has sent three Hercules transport aircraft to transport supplies from the entry ports to the disaster areas in the interior because of difficulties in traditional methods of transport caused by the rainy season. By these means it will be possible to ensure delivery of a greater share of the available aid to the population remote from the large centres.

3. The additional bilateral allocation in food aid made by Canada to the six stricken countries of the Sahel region totals $3.8 million. This amount does not include the sending and use of three Hercules transport aircraft for more than a month.

NUMBER OF POSTAL BOXES IN WINNIPEG

Question No. 2,461—**Mr. McKenzie:**

1. How many post boxes are there in Winnipeg's 11 postal stations and, of this number, how many are currently rented out to the public?

2. Is there a waiting list of persons wishing to rent post boxes at any of the 11 stations and, if so, how long is the list?

3. What does it cost to rent a box at each of these stations?

4. Is it the intention of the government to make more post boxes available for rent by the public in Winnipeg and throughout the rest of the country?

Hon. André Ouellet (Postmaster General): 1. two thousand two hundred sixty-eight; 2,129 rented.

2. Yes, there is a waiting list of 80 applicants as follows: Main Post Office, 61; Station "B", 9; Station "C", 1; Norwood Grove, 3; St. Boniface, 4; St. Vital, 2. The waiting list includes those to whom vacant boxes have been offered but from whom confirmations have not been received. A few days is allowed following an offer of a box before offering it to the next name on the waiting list.

3. Post Office boxes are available in five sizes with annual rates as follows:

Post Offices Not Having Door-to-Door Delivery by Letter Carrier		Post Offices Having Door-to-Door Delivery by Letter Carrier	
	$		$
A	4.00	A	8.00
B	6.00	B	10.00
C	10.00	C	15.00
D	15.00	D	25.00
E	20.00	E	35.00

4. Every possible effort is made to ensure that lock boxes are made availbale to the public not only in Winnipeg, but for all of Canada. In some cases, an increase of lock boxes would involve major renovations. However, as the demand for boxes are made, every effort is made to accommodate customers.

FEDERAL PENITENTIARIES—OVERTIME PAYMENTS

Question No. 2,477—**Mr. Stackhouse:**

How much money was expended for overtime payments to the staffs of federal penitentiaries during June 1972 and June 1973?

Hon. Warren Allmand (Solicitor General): June 1972, $288,182; June 1973, $525,762.

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NOTES: 1. There are 2,345 Correctional Officers in 46 federal penal institutions.

2. Of the total overtime paid to staffs of federal penitentiaries for June 1973, $503,435 was paid to Correctional

officers with the balance, $22,326, going to other institutional personnel.

LETTER SENT BY M. DAN BARTHOLOMEW, C.P.S.

Question No. 2,494—**Mr. Reynolds:**

Was a letter, regarding inmate No. 1,357 McCauley, dated June 10, 1973, sent by Mr. Dan Bartholomew Cx4 to the British Columbia Penitentiary prison director, answered and, if not, for what reason?

Hon. Warren Allmand (Solicitor General): No. Mr. Bartholomew's letter was referred to the senior institutional officer concerned for his consideration and advice. Action was taken on the matter raised by Mr. Bartholomew the following day. However, due to a conflict in shift schedules between Mr. Bartholomew and his squad leader, Mr. Bartholomew was not immediately informed of the action taken. He was, nevertheless, informed at the earliest possible opportunity.

CANADIAN PENITENTIARY SERVICES—MR. BRIAN MURPHY AND MR. G. W. H. L. SCHLIEPER

Question No. 2,495—**Mr. Reynolds:**

1. Will the Solicitor General advise whether (a) charges are pending against Mr. Brian Murphy (b) he is allowed to come and go from prison and, if so, for what reason?

2. (a) Are charges pending against Mr. G. W. H. L. Schlieper (b) is he permitted to continue at his job or in some other form of work and, if not, for what reason?

Hon. Warren Allmand (Solicitor General): 1. (a) Yes. (b) Yes. Mr. Murphy is employed as a research officer studying inmate profiles and, therefore, his work, unlike that of correctional officers, does not require him to be in daily contact with inmates in a supervisory, teaching or counselling relationship. His continued employment, pending the disposition of charges now before the Court, did not and does not in any way jeopardize the security of the institution. Since charges were laid, Mr. Murphy has visited the institution once to meet with the Assistant Director, Socialization.

2. (a) Yes. (b) No. Mr. Schlieper is a correctional officer, and is therefore, in daily contact with inmates. It is considered that his entry to the institution could pose a risk which may affect the security of the institution and the safety of both staff and inmates. Accordingly, he has been suspended pending the disposition of charges against him.

BRITISH COLUMBIA PENITENTIARY STAFF

Question No. 2,496—**Mr. Reynolds:**

1. What was the total number of staff in the British Columbia Penitentiary and how many hours of overtime were worked during (a) January 1973 (b) February 1973 (c) March 1973 (d) April 1973 (e) May 1973 (f) June 1973?

2. How many of the penitentiary staff applied for educational leave in the past 12 months and, of these, how many were (a) approved (b) rejected?

Hon. Warren Allmand (Solicitor General):

[Mr. Allmand.]

	Staff	Overtime*
1. (a)	262	1,724½
(b)	268	1,205
(c)	269	1,365
(d)	270	2,621½
(e)	265	2,515
(f)	264	2,583½

* Includes time spent in staff training each week by approximately 22 security officers.

2. Four. (a) One (b) Three (one of which was granted leave without pay from May, 1973 to May, 1974 to attend university).

BRITISH COLUMBIA PENITENTIARY—PRODUCTION OF BALLOT BOXES

Question No. 2,497—**Mr. Reynolds:**

Is the British Columbia Penitentiary producing ballot boxes for the next federal election and, if so (a) are they finished and, if not, on what date will they be completed (b) where are they stored?

Hon. Warren Allmand (Solicitor General): No. (a) and (b) Not applicable.

OFFICE OF COMMISSIONER OF OFFICIAL LANGUAGES

Question No. 2,684—**Mr. Cossitt:**

1. What are the names of all those employed by, on loan or in any way attached to the Office of the Commissioner of Official Languages?

2. (a) What are (i) their salaries (ii) the dates that they commenced such work (iii) the exact job descriptions in each case (iv) the nature and dates of any previous government employment (b) on whose recommendation were they engaged and, in each case, what were the particular qualifications that they were considered to possess?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): The Commissioner of Official Languages reports directly to Parliament and not through a minister. Questions can be made directly to him privately.

PENSIONS PAID TO FORMER MEMBERS OF PARLIAMENT

Question No. 2,700—**Mr. Mather:**

1. How many former members of parliament have retired on parliamentary pension since 1970?

2. How many former members who retired in 1970 are still living and drawing that pension?

3. What is the average annual amount of the parliamentary pension being drawn?

4. What was the average dollar contribution to that pension made by the Members now drawing such pension?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): 1 to 4. The parliamentary pension payable to Members of Parliament is under the administrative jurisdiction of the Speaker of the House of Commons.

QUESTION PASSED AS ORDER FOR RETURN

LIP AND OFY GRANTS

Question No. 2,472—**Mr. Alexander:**

1. For the years 1971, 1972 and 1973 to date, how many LIP grants, as well as OFY grants, related to the constituencies of Hamilton East, Hamilton-Wentworth, Halton-Wentworth, Hamilton Mountain and Hamilton West, were submitted, rejected and approved?

2. By constituency (a) how much money was involved in each of these categories (b) how many and what LIP projects were (i) extended (ii) for what length of time (iii) how much money was involved?

Return tabled.

● (1440)

Mr. Clark (Rocky Mountain): Mr. Speaker, I draw the attention of the parliamentary secretary again to starred question No, 2436 which has been standing in my name since June 21, relating to the staff, if any, of the Minister of State responsible for multiculturalism.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL EXPORT TAX—GOVERNMENT POSITION IN LIGHT OF OBJECTION—PROVINCIAL SHARE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Are the minister and the government firmly committed in principle to the export tax on petroleum that has been announced, or is this an interim measure that is subject to review and revision upon consultation with the provinces particularly the producing provinces?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think I would have to say that the separation of the price for sale in the United States from the price in Canada, so that Canadians will not have to pay whatever accelerating prices American customers will have to pay from time to time, is a matter of principle with the government. As the Prime Minister indicated in his announcement, an export tax is one of the control mechanisms that could be used. Of course, as I indicated to the House on Friday and as I indicated to the Alberta minister, it is certainly within our concept that the proceeds of either a tax or the return of a marketing board would be shared with the provincial governments concerned.

Mr. Stanfield: Recognizing that, according to the minister's announcement, the price of crude in Canada will be based upon the price of crude landed at Montreal, may I ask the minister whether the export tax technique is an essential part of the minister's program, and what proportion of the export tax does the minister propose to offer to the producing provinces?

Mr. Macdonald (Rosedale): Mr. Speaker, if the hon. gentleman will reread *Hansard* he will see that I said the proposal of a Montreal basing price was one of the proposals being considered. I already answered the rest of the hon. member's question by pointing out that whether it be an export tax or a marketing board is a matter for discussion. Indeed, the question of the form it would take and the share is one of the aspects upon which we expect the government of Alberta to respond, as Mr. Dickie, the Minister of Mines and Minerals, promised to respond on October 3 when we see them again.

Mr. Stanfield: As the government's policy in this field seems to change so much from day to day, will the minister explain why he and the government found it necessary to behave in such a heavyhanded way in connection with this program rather than following the method of consultation which the minister previously announced the government was committed to follow?

Mr. Macdonald (Rosedale): Mr. Speaker, I think it can be said I followed the process of consultation. As the hon. gentleman knows, we published an elaborate analysis of the energy situation, including this particular question, in June. We had consultation with the Alberta representatives in July. At that time Alberta undertook to respond to our analysis and to the conversation on that occasion. Up to this moment no such response has been received from the province. On that basis I am quite prepared to carry on a dialogue and consultation, but it seems to me there is a mutuality required for the effective operation of the process.

OIL EXPORT TAX—NOTICE TO UNITED STATES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. As the maintaining of good trading relations with the United States is of obvious importance to this country, can the minister advise the House why no prior notice of this added tax on crude oil was given to the United States, particularly in view of the fact this lack of action appears to have caused by far the greatest resentment in the vociferous protest made by the United States government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would correct the hon. member by saying there was no lack of notice. I concede it was done at almost the last minute. However, on a matter of this kind I do not believe we should have felt it necessary to seek the permission of the United States government before taking action.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Prince Edward-Hastings, the hon. member for Nanaimo-Cowichan-The Islands and the hon. member for Calgary North on this matter and then try to go on to the next question.

Mr. Hees: No one, of course, has ever suggested that the permission of the United States should be obtained for an action of this kind. However, in view of the fact the United States has stated flatly that no prior notice was given, how does the minister justify his answer?

Mr. Macdonald (Rosedale): Mr. Speaker, I will have to re-examine the statement to see if the Americans said they had no notice because I think I can produce some facts to the contrary.

OIL—TWO-PRICE SYSTEM—REQUEST FOR CLARIFICATION OF COMPROMISE—POSSIBLE ELIMINATION OF OTTAWA VALLEY LINE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the Minister of Energy, Mines and Resources arising out of his statement at the Liberal convention over the weekend.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Perhaps the hon. member for Nanaimo-Cowichan-The Islands might like to ask his question directly. I would hope the question period today would not be a series of questions based on statements made outside the House during the weekend.

Mr. Douglas: Can the minister give some clarification with regard to his statement that there has been a compromise on the two-price oil system? What change has there been, apart from the agreement to give to the oil-producing provinces some share in the 40 cents a barrel export tax, with which I think everyone would agree? Has there been any change in the pricing policy? Will the present freeze, announced on September 4, still stand and will the posted Montreal price come into effect only when a pipeline has been built into the province of Quebec?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, with regard to the latter part of the question, as I indicated to the Leader of the Opposition, the matter is under discussion at the present time.

Mr. Stanfield: It wasn't on Friday.

Mr. Macdonald (Rosedale): Read *Hansard*. With regard to the compromise, it was with the position that had been taken by a certain group at the convention that there should not be a two-price system. We were able to satisfy them that there should be such a system and, indeed, that the province of Alberta would share in the proceeds of such a system. I was glad that the Liberal leader in Alberta was able to give the premier of that province some leadership with regard to good compromising as a Canadian.

● (1450)

Mr. Douglas: In view of the minister's reply to a question put by my colleague from Sault Ste. Marie on September 10 to the effect that one million barrels of western crude had been moved to Montreal refineries, may I ask the minister whether it is now his plan to virtually wipe out the Borden line so that petroleum and petroleum products can move freely across that line until such time as the pipeline is built, making the Borden line no longer necessary?

Mr. Macdonald (Rosedale): It certainly is one of the concepts, Mr. Speaker. Quite clearly the policy reasons for establishing the Borden line between 1959 to 1961 are no longer apposite. Very likely in due course the line may be eliminated. This is one of the questions that is to be dealt with in the context of determining the appropriate Canadian basing point.

OIL EXPORT TAX—CONSULTATION WITH ALBERTA PRIOR TO IMPOSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the minister a supplementary question. In light of the questions put by the Leader of the Opposition on Friday asking whether there was consultation with Premier Lougheed and the Alberta government and the answer that they made no substantive comment about the matter, may I ask the minister whether there was definitely consultation with the Alberta government prior to implementing the 40 cents surtax on a barrel of crude petroleum? If so, when did the consultation take place and where?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it was the Minister of Mines and Minerals of Alberta and the discussion took place late Thursday morning and early afternoon.

Mr. Horner (Crowfoot): That was not consultation.

Mr. Macdonald (Rosedale): We presented the documents to him then and he accepted them, as I said, without substantive comment.

Mr. Woolliams: A further supplementary question.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Calgary North for a last supplementary at this point. Hon. members will appreciate that we are still on the first question after ten minutes. I will then recognize the hon. member for York South and the hon. member for Témiscamingue.

Mr. Woolliams: Thank you, Mr. Speaker. Before I put my question, I have in my hand the speech that the Premier of Alberta made to the Canadian Club of Calgary in which he said that this was a unilateral action on the part of the federal government, that there had been no consultation, and that this was thrust on the Canadian people by the government unilaterally. What does the minister have to say about that?

Mr. Macdonald (Rosedale): Mr. Speaker, I suggest that Premier Lougheed talk to his Minister of Mines and Minerals.

Mr. Speaker: I am sure that the hon. member for Calgary North and the minister will appreciate, as will all

hon. members, that we are entering upon a debate rather than asking questions and giving answers.

Mr. Woolliams: I should like to ask one more supplementary question, Mr. Speaker.

Mr. Speaker: Order. The Chair indicated a moment ago that we should try to complete the first round of questioning. If hon. members want to pursue this matter later for the rest of the question period, that is up to them. The hon. member for York South.

* * *

THE CANADIAN ECONOMY

PROPOSED TAKEOVER OF ACKLANDS LIMITED BY UNITED STATES COMPANY—GOVERNMENT ACTION

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In his absence last week the Acting Minister of Industry, Trade and Commerce, the Minister of Manpower and Immigration, was asked some questions regarding the proposed takeover of Acklands, Limited of Winnipeg, Canada's largest automotive supply wholesaler, by a United States firm from Atlanta. One of the answers that the Minister of Manpower and Immigration gave on September 12 was that company representatives were ready to meet with the minister and discuss the takeover. May I ask the minister whether such a meeting has been arranged and when it will take place?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, it is true that such a meeting has been arranged. It will take place tomorrow afternoon and I and my officials expect to meet with the leading representatives of the company.

Mr. Lewis: Would the minister assure the House that in his meeting with the company representatives he will investigate the takeover proposal in accordance with the criteria set in the bill concerning foreign investment and take steps to prevent the takeover unless the benefits and interests of Canadians are protected?

Mr. Gillespie: Mr. Speaker, I shall certainly be discussing with the officials the whole question of the significant benefit to Canada of this proposal, but as the hon. member must know, Bill C-132 is not yet the law of Canada, though I hope, as I know other members do, that it will be very shortly.

Mr. Lewis: In view of the fact that there are precedents, for example, Home Oil and Denison Mines, where the federal government did take steps to halt a takeover, may I ask the minister whether he can assure the House that he will request that the takeover be halted until a full inquiry is made as to Canada's benefit and, if necessary, until Bill C-132 becomes the law of Canada?

Mr. Gillespie: Mr. Speaker, I think my conversation tomorrow will give me a better opportunity of judging what action, if any, should be taken.

[*Translation*]

EXTERNAL AFFAIRS

RECOGNITION OF REGIME IN CHILE—GOVERNMENT'S POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the right hon. Prime Minister but, first of all, I want to congratulate him for having been reconfirmed in the good graces of his partisans over the weekend.

Some hon. Members: Hear, hear.

Mr. Caouette (Témiscamingue): I thank the Liberals for applauding me with such frenzy.

Mr. Speaker, here is my question. Since the bloody overthrow of the new democrats in Chile, has that country asked the Canadian government to recognize the new regime?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, first of all, let me thank the leader of the creditiste party for his kind words. In reply to his question I must say that the Chilean regime has in fact asked the Canadian government to grant it diplomatic recognition, but we have yet to give an answer because we wish to consider the matter further.

* * *

[*English*]

ENERGY

OIL EXPORT TAX—ACCEPTANCE OF PROPOSED COMPROMISE BY GOVERNMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask a further supplementary question as a follow-up to what I asked earlier and the answers given by the minister. The minister stated that a compromise was made at the convention in regard to the implementation of the 40 cents surtax. I am not concerned about the convention. What I want to know is whether this compromise is now accepted by the government, what was the compromise, and how much money Alberta will get back from this tax that was imposed without consultation?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think I would have to refer the hon. gentleman to the resolution passed at the convention. I am not sure whether it would be in order to do so here, but I will be glad to bring it to the hon. member's attention.

Mr. Nielsen: We do not intend to let you do that.

Mr. Macdonald (Rosedale): Mr. Speaker, I believe I could table the resolution under the terms of Standing Order 41(2).

● (1500)

Mr. Woolliams: Mr. Speaker, my question is a very simple one and can be put with great ease. Was the compromise suggested at the convention accepted as government policy? A yes or no will answer that question.

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. gentleman is not a novice in the political field and he will know that a political convention, of course, does not dictate government policy but rather provides a guideline.

Some hon. Members: Oh, oh!

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

Mr. Hees: That is not what you were telling them on Friday and Saturday. You said, "Whatever you pass we will obey". Pierre, wait until they get you back the next time; then there is going to be trouble.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

An hon. Member: Where's Turner?

Mr. Speaker: May we have order, please.

Some hon. Members: Order!

Mr. Speaker: Order, please. Unless hon. members want to adjourn this meeting to the Chateau Laurier, perhaps we might try to carry on with the question period.

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FINANCE

SUGGESTED BUDGETARY ACTION TO COMPENSATE HOME OWNERS FOR RISING MORTGAGE INTEREST RATES— REASONABLENESS OF BANK RATES

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is directed to the Prime Minister. As has been urged on the government, is the government now actively considering early budgetary action to compensate home owners for the rising cost of mortgage interest rates and, if so, can we expect an announcement on this matter this week?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if any announcement is to be made the hon. member will hear about it.

Some hon. Members: Oh, oh!

An hon. Member: In due course; don't forget that.

Mr. Hellyer: Mr. Speaker, I appreciate that and will look forward to this announcement with great anticipation. In the second quarter of this year the eight largest chartered banks increased their combined balance of revenue by a full 21 per cent over the first quarter. Is the government satisfied that the mortgage rates now being charged by the chartered banks are reasonable and necessary and, if so, can the government table any detailed study to support that position?

Mr. Speaker: Order, please. The Chair has considerable reservation about at least three aspects of the hon. member's question. The first part conveyed information to the House which, as the hon. member knows, should not be attempted by way of a question. The second part of the hon. member's question asked the minister to express an opinion, and in the third part he is asking for information which normally ought to be given on motions. I am not sure whether even the hon. member would be able to rephrase that question.

Mr. Hellyer: Mr. Speaker, will you permit me at least to attempt to rephrase the question by asking the Prime Minister whether, in view of the alarming effects of high interest rates on the cost of housing, the government will propose some effective measure and bring it before the House within the next few days?

Mr. Trudeau: Mr. Speaker, if the hon. member listened attentively to the Minister of Finance when he made this announcement and discussed the question—

Mr. Hellyer: I did and that is the reason I asked the question.

Mr. Trudeau: —he will remember that the banks undertook to hold the mortgage rates steady and not increase them.

Mr. Hellyer: I remember, too, that you are not interested in housing or the problems of the home owner.

INQUIRY AS TO INTRODUCTION OF NEW BUDGET CONTAINING TAX CUTS

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Prime Minister. In view of the tenor and substance of the resolutions passed by the weekend Liberal convention on taxes and high interest rates and related economic subjects, most of which indicated opposing points of view to those held by the Minister of Finance, will the Prime Minister tell the House—

Mr. Speaker: Order, please. Again I would invite hon. members to ask questions directly. I am not sure what purpose is being served by these lengthy introductions having reference to political activities outside the House.

Mr. Lawrence: Thank you, Sir. Could the Prime Minister indicate whether the government is now considering bringing in a new budget with tax cuts at an early date?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member is really interested in the context of the question he has asked, I would be pleased to send him a little booklet, edited by Senator Stanbury, which indicates that 85 per cent of the resolutions adopted by the 1970 Liberal convention have been implemented.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: Rubbish!

Mr. Lawrence: Mr. Speaker, because of the noise I did not hear whether the Prime Minister said yes or no.

Mr. Fairweather: He said there was a little booklet.

[*Translation*]

FISHERIES

FORTHCOMING CONFERENCE ON LAW OF THE SEA—CANADIAN POSITION ON JURISDICTION OVER CONTINENTAL SHELF RESOURCES

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I should like to put a question to the Minister of Fisheries.

At the next Law of the Sea Conference of the North Atlantic countries, is the minister going to state the position of the government that Canada has exclusive jurisdiction over living resources of the continental shelf or a distance of 200 miles from the coasts?

[*English*]

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I think this is a matter which should first be brought up at the United Nations Law of the Sea Conference.

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THE CANADIAN ECONOMY

EFFECT OF PROPOSED FOREIGN INVESTMENT REVIEW ACT ON ATLANTIC PROVINCES—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the right hon. Prime Minister. What assurance has he given to the premiers of the Atlantic region that the risk capital required for the development of these provinces will not be jeopardized by the implementation of Bill C-132, the Foreign Investment Review Act?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the premiers of these provinces have raised the matter with me in discussions, both collectively and singly. As the hon. member knows, when this bill was before the committee certain provinces chose to make their views known. I take it that the hon. member is aware of that.

Mr. MacKay: Mr. Speaker, we in the Atlantic region are well aware of the desirability of this legislation but we do not want it at our expense. I should like to know whether the Prime Minister has arranged any guidelines for domestic funding agencies to meet the needs of this part of the country in the event that this cut-off of capital does occur, as the Atlantic provinces fear?

Mr. Trudeau: Mr. Speaker, this is really a matter which has been dealt with and will be dealt with again in the bill that is before the House. If the hon. member or other members of the opposition have further views to make known on this, they will have a further opportunity to do so in the committee and in the House of Commons. We are certainly open to representations, if only they can agree among themselves what they would like implemented.

Oral Questions

AIR TRANSPORT

DATE OF ANNOUNCEMENT OF ALLOCATION OF ROUTE TO MILAN AND NEW ROUTES TO UNITED STATES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct my question to the Minister of Transport. When will he be able to make an announcement as to which Canadian airline will have the right to fly the route to Milan?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I did not get the last part of the question.

An hon. Member: It was about Milan.

Mr. Bell: Look into it.

Mr. Marchand (Langelier): Mr. Speaker, if the hon. member would like a reservation, maybe I can help. This will not be announced before we announce the new policy of the government in the field of international civil aviation.

Mr. Orlikow: Mr. Speaker, can the minister indicate to the House when he will be making a statement in reference to which new routes allocated to Canada will be given to each of the Canadian airline companies?

Mr. Marchand (Langelier): Mr. Speaker, this cannot be done before the cabinet has ratified the agreement.

Mr. Speaker: The hon. member will be recognized for a last supplementary on this subject, following which the Chair will recognize the hon. member for Champlain.

Mr. Orlikow: After the cabinet has considered the matter and the minister makes his statement, will he include an explanation as to why Canadian carriers will not be given the right to fly the route from Winnipeg to Chicago until 1978 or 1979?

Mr. Marchand (Langelier): Mr. Speaker, the only explanation is that this is a package in respect of which there was give and take, and I do not think one can select one route and ask why we did not get that one. I could ask about 15 questions in respect of other routes, so I cannot give a simple answer.

* * *

[*Translation*]

SOCIAL SECURITY

OLD AGE PENSION—LOWERING OF ELIGIBILITY AGE TO 60—MINISTER'S POSITION

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

Does the minister's recent position—not to mention that of the recent Liberal convention—concerning the old age security pension at 60 years of age confirm the fact that the people from 60 to 65 have no hope of obtaining that pension during this parliament?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I objected to a resolution for the implementation of such a scheme on January 1, 1974 as being unrealistic and I added that I had more confidence in the establishment of a guaranteed annual income for all the needy, including those from 60 to 64 years of age, than in the payment of pensions to everyone, even those who do not need any.

* * *

[*English*]

THE CANADIAN ECONOMY

ALLEGED PRINTING OF FOOD RATION STAMPS

Mr. Peter Reilly (Ottawa West): Mr. Speaker, my question is directed to the right hon. Prime Minister. Some week and a half ago, I believe, I asked him why, in view of his statement that there was no food shortage in Canada, the government had found it necessary to have ration stamps printed. His reply, to apply the kindest word to it, was equivocal, but he did say he would investigate. I wonder whether he has investigated and what he has found out?

● (1510)

Right Hon. P. E. Trudeau (Prime Minister): Yes, I did investigate it with various ministers who might conceivably be concerned. My investigation confirmed the impression I expressed in the House that the hon. member was flying a canard.

[*Translation*]

Mr. Speaker: The hon. member for Témiscamingue.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary question to the minister.

Mr. Speaker: Order. The hon. member for Témiscamingue would perhaps allow me to let the hon. member for Ottawa West put his supplementary question, after which I will get back to the previous question.

[*English*]

Mr. Reilly: Mr. Speaker, I rise on a question of privilege simply to say that I was not flying a canard but was operating on information I believe sincerely to be accurate. I will not stand for the imputation of motives by the Prime Minister. It is unparliamentary, unworthy of him, against the rules of the House, and he knows it.

Mr. Trudeau: On the question of privilege—

Mr. Speaker: The Chair, of course, will recognize the Prime Minister if he wishes to rise on a question of privilege, but I doubt very much whether we should pursue the matter.

Mr. Trudeau: Mr. Speaker, the hon. member will remember that I invited him to supply me with the source of the information and if indeed it is, as he says, honest information, perhaps he might have given it to me in the past two weeks.

Some hon. Members: Hear, hear!

[Mr. Matte.]

[*Translation*]

SOCIAL SECURITY

POSSIBLE ESTABLISHMENT OF GUARANTEED ANNUAL INCOME PLAN—DETERMINATION OF METHOD OF PAYMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to ask a supplementary question to the hon. Minister of National Health and Welfare.

Since he just stated that he suggested at the liberal convention during the weekend that a measure be adopted for establishing a guaranteed annual income plan for people in need, and since he stated a moment ago that he is in favour of a system whereby those in need would receive assistance and others would not, can the minister specify who will decide who needs help and who does not?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first of all, I would like to point out that I did not suggest at the convention what the hon. member for Témiscamingue says I did. As for his second point, I refer him to the working paper tabled in the House last April.

Mr. Speaker: Order, please. Before this discussion continues, I would like to remind hon. members that it is irregular to ask questions based on statements made outside this House.

* * *

[*English*]

MANPOWER

POSSIBLE REDUCTION IN NUMBER OF TRAINEES AT POINT EDWARD INSTITUTE—REQUEST FOR RECONSIDERATION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that the federal-provincial manpower needs committee for Nova Scotia is today considering a recommendation to reduce the number of basic training for skill development places from 380 to 180 at the Point Edward Institute, and in view of the fact that there are long waiting lists for training at all Canada Manpower Centres in Cape Breton, would the minister intervene personally to see that the operations at this training institute are not diminished in any way whatsoever?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as I indicated privately to the hon. member, I am sympathetic to his representation. I will take special steps to examine the situation myself, but it has to be done in consultation and co-operation with the provinces, as I believe the hon. member knows.

Mr. Muir: Would the minister concern himself to the extent of suggesting to the committee that he should be fully informed as to the actual happening before the committee makes a decision that it may possibly regret a little later?

Mr. Andras: That representation will be given full consideration.

INQUIRY OF THE MINISTRY

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of the Environment. Has the minister been using the facilities of the Pacific Environment Institute government wharf in West Vancouver to moor his private boat and, if so, is this practice consistent with the policy of the government?

Mr. Speaker: Order, please. The hon. member, I am sure, will appreciate that questions such as this should be placed on the order paper. I doubt very much whether it is in order to ask a question of this kind during the oral question period.

Mr. Davis: I rise on a question of privilege, Mr. Speaker. The hon. member knows the answer to that question. He knows it is yes. He knows it is a tiny boat. He knows that if any other public purpose can be served it will be removed. He knows that tens of thousands of private boats are moored at public docks and no fee charged whatsoever.

Mr. Reynolds: I rise on a point of order, Mr. Speaker. My point of order is that the minister's boat is at a government dock and not a public dock, and while it was tied up at that dock it was replacing a government boat that had to be tied on the outside which caused damage to that boat. I do not think a minister of the Crown should be using government facilities for his own personal benefit.

Mr. Davis: Mr. Speaker, again on the question of privilege, the hon. member knows that a full inquiry has been carried out and that the other boat which was damaged was, first, not displaced and second damaged as a result of negligence.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We are running short of time. The hon. member for Victoria has the floor.

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ENVIRONMENTAL AFFAIRS

PROPOSED OCEANOGRAPHIC INSTITUTE AT ESQUIMALT—REQUEST FOR ASSURANCE PLAN NOT CHANGED

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of the Environment. In correspondence last summer the minister stated that a start would be made on an oceanographic institute costing $7 million in Esquimalt-Saanich and that the first sod would be turned in September. To date there is no indication of this. Can the minister assure the House that his plans have not changed in respect of the oceanographic institute?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, the hon. member is correct in assuming that this project will proceed as announced. Plans are well advanced for the start of construction.

Oral Questions

REGIONAL ECONOMIC EXPANSION

DATE OF TABLING OF PROGRAM FOR NORTHERN ONTARIO—HIRING OF PERSONNEL FOR NORTHERN ONTARIO OFFICES

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. In view of the meetings that have taken place between officials of DREE and the Ontario government, can the minister inform the House when the government intends to table its program for industrial development in northern Ontario?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I do not know the precise date but I can say that the negotiations with the government of Ontario are proceeding very well. It is my latest information that it should not be more than a matter of a month or a few weeks.

Mr. Rodriguez: In view of the inability of DREE to decentralize its staff, would the minister inform the House whether he is now prepared to hire personnel to service the northern Ontario offices of DREE?

Mr. Jamieson: Mr. Speaker, without accepting the first part of the comment, it is of course our intention to have as many people as we can get who are competent, and I am sure there are plenty of them, from northern Ontario for those offices.

SUGGESTED EXTENSION OF PROGRAMS TO YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary for the minister who informed me both here and in committee several months ago that a complete study would be made into the feasibility of having DREE applicable to both the northern territories of Canada. Can he say now whether his studies are complete and whether this section of Canada will be included in DREE to make that legislation truly national?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, I have had consultations with some of the elected representatives of the Yukon Territory and the Northwest Territories and my colleague, the Minister of Indian Affairs and Northern Development, and his officials have been meeting with our officials to see how the programs of both departments can be integrated. If it should appear on the surface that there is some merit in extending DREE programs into the north, we will find a mechanism to do so.

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FINANCE

SUGGESTED RE-INTRODUCTION OF TARIFF ON BEEF FROM UNITED STATES—GOVERNMENT POSITION

Mr. Ross Whicher (Bruce): Mr. Speaker, in the absence of the Minister of Finance I have a question for the Prime Minister. Is there any evidence that the United States authorities are willing to relinquish the tariff on Canadian

beef going across the border and, if not, is it the intention of the government to re-initiate the tariff on beef coming into Canada so that our Canadian beef producers will have a chance to compete on an equal footing with United States producers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member will recall that when the Minister of Finance introduced this change he did indicate it would be temporary and kept under constant review. I want to reassure the member that the matter was discussed again as recently as last Thursday in cabinet. When action seems to be imperative, we will take it.

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FISHERIES

COMPENSATION TO EAST COAST FISHERMEN FOR STORM DAMAGE—GOVERNMENT ACTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a question for the Minister of Fisheries. It concerns a request from east coast fishermen for compensation in respect of storm damage on June 17. Can the minister tell the House whether he has yet made a submission to his colleagues in the cabinet dealing with this matter and, if so, when can we expect an announcement?

● (1520)

Hon. Jack Davis (Minister of Fisheries): Yes, Mr. Speaker, a submission has been made jointly by myself and the Minister of Finance, and I hope that a decision will be made very shortly.

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ENERGY

REASON FOR FAILURE TO DISCUSS EXPORT TAX ON OIL AT WESTERN ECONOMIC CONFERENCE

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a supplementary question to the one asked by the Leader of the Opposition and I would like to put it to the Prime Minister. In view of the fact the western economic conference took place only a short time ago, and in view of the recent announcement by the Minister of Energy, Mines and Resources concerning the export tax on oil, can the Prime Minister tell the House the reason this very important matter was not discussed in detail at the time of the western conference?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, for a very simple reason. The federal government and I personally attempted to put energy on the agenda of that conference and the western provinces themselves refused to include energy as an item on the agenda.

[Mr. Whicher.]

BROADCASTING

COVERAGE OF 1976 OLYMPIC GAMES—ALLEGED SAVING BY ACCEPTING CTV OFFER—GOVERNMENT POSITION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is also directed to the right hon. Prime Minister. In view of CTV's continuing offer to provide equipment, facilities and personnel to act as co-host broadcaster with the CBC for the coverage of the 1976 Olympic games at a considerably lower cost than the CBC, is it the government's intention to make use of these repeated offers, thus reducing the over-all cost to the CBC and to the taxpayers by millions of dollars and, if not, why not?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot agree with the premise of the question, but I must confess that a detailed discussion of it is more than I could provide at this time. I would hope the hon. member raised that matter when the bill was before the House. If he did, I am sure he got the answer.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—ALLEGED DELAY IN SENDING APPLICATIONS TO NEWFOUNDLAND—REQUEST FOR EXTENSION OF DEADLINE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that again, as in past years, application forms for LIP did not reach Newfoundland until a week after the proposed date, and in view of the fact this will mean further delays in their reaching the northern communities, would the minister advise if he will extend the October 15 date for the approval of applications for another week or two so these people will get the opportunity they deserve?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I will examine the allegations of the hon. member. I was not aware they were that late. I thought they went out early in September.

LOCAL INITIATIVES PROGRAM—SCARCITY OF APPLICATION FORMS IN ATLANTIC PROVINCES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I ask the minister whether he would look very closely into the policy with respect to the releasing of application forms for LIP projects, particularly in the Atlantic provinces where they seem to be in very scarce supply?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Most certainly, Mr. Speaker.

Mr. Speaker: The hon. member for Sarnia-Lambton.

Mr. Cullen: Mr. Speaker, the question put by the hon. member for Bruce is one in which I was interested and I

have been trying to raise for three days now. I compliment him on catching your eye, Sir.

Some hon. Members: Oh, oh!

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EXTERNAL AFFAIRS

LAW OF THE SEA CONFERENCE—POSSIBLE ATTENDANCE OF MEMBERS OF VARIOUS PARTIES AS OBSERVERS

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs with respect to the coming preliminary Conference on the Law of the Sea as well as the conference itself next year. Will representatives from the various parties in the House be permitted to attend each of those conferences?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the House may remember that I outlined in some detail the procedure which the government hoped to follow with respect to the Law of the Sea Conference, namely, that the first stage would be consultations with the provinces, following which I would publish a paper setting out our views which would be subject to discussion in the appropriate committee of the House so that we would at that time be able to get the views of all the parties.

Mr. Howard: I was asking the minister about the presence of members at the preliminary conference and at the conference itself, instead of channelling information through the government, if not as participants at least as observers.

Mr. Sharp: I will take that under consideration, although I should point out to the hon. member that if I began to open up the conference to observers in this way there would be very many people throughout the country who would also like to be present. I understand the spirit in which this is put forward, but I think that our delegation must be of a wieldy size.

Mr. Speaker: Orders of the day.

ROUTINE PROCEEDINGS

[*English*]

FOOD PRICES

CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE

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

That the second report of the Special Committee on Trends in Food Prices, presented to the House on Wednesday, July 25, 1973, be concurred in.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, there have been consultations about one or two additional matters with respect to today's debate, and I think you

will find that there is an agreement with respect to the length of the speeches. As I understand it, the rules would provide for 40 minute speeches all day long. I do not think anyone wants that. There is agreement that the first speaker for each party speak for 30 minutes and that all succeeding speakers speak for not more than 20 minutes.

While I am on my feet, may I mention another point, although I confess that I have not discussed it with the other House leaders yet. It has to do with the hour between five and six o'clock. I believe that under Standing Order 16 we would have to use that hour today for private members' business, but I suggest that we might agree now to suspend the private members' hour so that the rest of the time today can be spent on the motion of the hon. member for St. John's East.

Mr. Speaker: The first suggestion made by the hon. member for Winnipeg North Centre (Mr. Knowles) was based on what I believe were consultations limiting the speeches made by hon. members of each party initiating the debate to 30 minutes and all speeches thereafter to a maximum of 20 minutes. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: The hon. member suggests also that private members' hour be suspended. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Mr. James A. McGrath (St. John's East): Mr. Speaker, first of all, I am very pleased to note that this motion for concurrence in the second report of the Special Committee on Trends in Food Prices has suddenly become so popular. There were two similar motions standing on the order paper, and it is interesting to note that these two motions for concurrence in the second report of the Special Committee on Trends in Food Prices did not surface until after the consumer price index for the month of August was brought down on September 13.

I may say at the outset, that the motion for concurrence in the report of the special committee is usually the responsibility of the chairman of the committee. Why the chairman of the committee or one of the government members of the committee did not see fit to move this motion perhaps will make itself known as this debate progresses. This is most unusual in the case of a special committee of the House because its very nature indicates that the House has set up a special sessional committee to deal with a special and urgent problem.

As a special committee, this committee will end with this session. That is why I believe the subject matter of the second report of the Special Committee on Trends in Food Prices, which was presented to the House on July 25, is a very important one. In saying that, I have no hesitation whatsoever in complimenting the hon. member for Sarnia-Lambton (Mr. Cullen) for the excellent manner in which he has conducted himself as chairman of this important committee.

Some hon. Members: Hear, hear!

Mr. McGrath: I may say that, apart from a few very infrequent lapses into partisan politics, the hon. member has been a good chairman of a very special and important committee. This makes it all the more difficult to understand why he did not move concurrence in this report. It might be well to remember that those charged with the responsibility of being chairmen of committees of this House all too often forget that they are the representatives of Your Honour, and hence have special responsibilities which they should discharge in the same fair, unbiased and objective manner as exemplified by Your Honour in this House. But all too often, Mr. Speaker, that unfortunately is not the case. That is especially so under the new rules of the House.

● (1530)

It might be well for us to remember that the setting up of this special committee was the government's answer to the serious problems of inflation, to the effects of inflation on rising food prices. This committee first saw the light of day in a reference in the Speech from the Throne opening the present session back on January 4 this year. The government then referred to the serious inflation problem and to its determination to protect the purchasing power of the Canadian dollar. I think the precise words were:

—to protect the purchasing power of the Canadian dollar in the hands of the Canadian people.

The Speech from the Throne went on to refer to the fact that:

While food prices in Canada have steadied slightly in the last month or so, the government is concerned about possible future effects of the world-wide trend toward higher food prices and will propose setting up a Joint Committee of the Senate and the House of Commons to make a special study of this problem.

The House rejected the idea of a special joint committee, and I think quite rightly. It would be well for us to remember that since January 4 when these words were put into His Excellency's mouth by the government, Canada has had the worst rate of inflation in 22 years and the highest increase in food prices since the Korean war.

The Speech from the Throne back in January placed a very high priority on what it called the attainment of a reasonable price stability. I might say that these words are as meaningless and as empty as the words of the Minister of Finance (Mr. Turner) in his budget speech on February 19, a budget that was supposed to reduce unemployment, hold the line on rising food costs and, for certain specified items, actually to reduce prices. I can tell you, Sir, that that budget could be best described in the words of the Leader of the Opposition (Mr. Stanfield) as a sick joke. Unfortunately, the joke is on the working people of this country.

According to the August report of the Bank of Canada, this country has the highest and sharpest rise in food costs and a higher rate of inflation than any of the six other major industrialized western countries that make up the Organization for Economic Co-operation and Development, OECD, It is also well to remember that since the high sounding rhetoric of the Speech from the Throne and the budget of the Minister of Finance last February, we have had high unemployment, high interest rates and high food prices.

[Mr. McGrath.]

There have been five increases in interest rates since that time, and what amounts to an 8.3 per cent rate of inflation as well as a 15.8 per cent yearly increase in the price of food over the period August 1972 to August 1973. The rate of increase for the first eight months of this year has been an over-all one of 6.6 per cent in the consumer price index, and an increases of 12.9 per cent in the cost of food. So, Sir, you can see that the greatest rate of increase has taken place since the Speech from the Throne when all the concern was expressed about rising food prices and protecting the income of Canadians, and since the budget speech of the Minister of Finance which was designed to hold the line on inflation and reduce unemployment. That is why this second report of the Special committee on Trends in Food prices is so important.

It is, therefore, perhaps even more important for us not only to examine the recommendations contained in the second report, which is properly before the House in accordance with the provisions of this motion, but to reflect on the recommendations contained in the first report of the Special Committee. That first report was tabled in the House on April 3, and concurrence was moved on April 17. There is a good reason for going back to the first report and that is that the second recommendation of the second report, one of the most important recommendations, calls upon the government to get on with implementing the recommendations in the first report. I expect that that kind of recommendation in a committee's report must be unprecedented.

The second recommendation in the report now before us reads:

The Committee recommends that the Federal Government consider the advisability of implementing all of the recommendations contained in the first report, especially the recommendation to consider the feasibility of programs to provide food for low income Canadians.

Of the six recommendations contained in the first report, only two have been acted upon by the government. Even at that, those two recommendations have only been partly implemented. The first one deals with setting up the Food Prices Review Board. It is interesting to see just exactly how the government dealt with that recommendation which called for the introduction of special legislation to set up the board. The government did not carry out that part of the committee's recommendation. Instead, it circumvented the committee's report, circumvented this House, and set up the board under the provisions of the Inquiries Act.

The second recommendation that has been partially implemented by the government is the one calling for the media to be provided with more consumer education.

The other four recommendations in the first report that have been ignored called upon the government to implement certain provisions of the proposed Competition Act dealing with consumer protection, new legislation governing the nutritional content of foods sold to the consumer and nutritional labelling, and federal-provincial co-sponsored programs so that nutritious food would be made available directly to children, senior citizens, shut-ins and the destitute. Even back in March when these recommendations were placed before the House, there were indications that meat and poultry prices were going up and that food prices generally would soar.

There was evidence presented to the committee very early in its deliberations to suggest that there was a very serious nutritional problem in Canada, and if there was such a problem then it is all the more serious today. There are many people in this country who cannot afford a nutritious diet. There are many in this country who are under-nourished. This is especially so among children; it is especially so among old people, and it is especially so among the unemployed.

In my opinion, Mr. Speaker, the working poor are the ones who are the worst off because they have to suffer the terrible frustration of not being able to afford an adequate diet with their hard earned money. Of course, the poor of this country, according to the best definition and the best advice that I have, represent 25 per cent of the population—one-quarter of the population, living at or below what has been defined as the poverty line.

● (1540)

Finally, Mr. Speaker, that first report recommended that specific moneys be made available to consumer groups to make representations to government where appropriate. I can see the Minister of Consumer and Corporate Affairs (Mr. Gray) reacting to that one by saying the government has already substantially increased the grant to the Consumers' Association of Canada. I commend him for that action, Mr. Speaker, but that increase was long overdue and it is not what the committee had in mind. The committee was referring to those new groups that have sprung up across the country; groups that represent the working poor, the anti-poverty groups, the citizens' rights groups—those who have banded together so that they may collectively give voice to the terrible frustration their members feel at not being able to provide adequate diets for their families, not being able to properly clothe their families and not being able to make it because of today's seriously inflated prices. These groups were born out of the sheer frustration of trying to survive on inadequate incomes at today's prices.

Mr. Speaker, it is not possible to discuss the report before us without discussing the first report, and the shameful failure of the government to implement all its recommendations. Surely, this must be the first time that a special committee has had to remind the government, by way of a recommendation, to get on with the implementation of its first report; that must be unprecedented. Certainly, it says something about this government's attitude to the special committee on Trends in Food Prices; it shows, Mr. Speaker, that the contempt characterized by the government in their attitude toward the trends in food prices is similar to their attitude to the other committees of this House and that is a shame.

This party dissented from the first report because we felt it did not contain an over-all policy recommendation to deal with the cause of rising food prices and because we felt at the time, and subsequent experience has sustained us in this view, that a Food Prices Review Board would be ineffective and virtually useless as its terms of reference were too confined. We made this clear at the time. That is not to suggest, Mr. Speaker, that we did not support the other recommendations, the effect of which would be, as I have said, to deal with some of the consequences of inflation and high food prices. Indeed, the Progressive Conservative members on that committee played a very active role in drafting that first report.

I believe it is only fair to say that the government owes this committee and this House an explanation. Otherwise by its actions, the government stands in contempt of the very committee which it set up as a special committee to deal with trends in food prices.

Some hon. Members: Hear, hear!

Mr. McGrath: There is certainly no doubt in my mind, Mr. Speaker, that this has been a hard-working committee, a committee on which all of the members took their duties very seriously. I think it can be said of this committee as a whole that, as a result of the hard work and dedication of its members, it has achieved what I consider to be a rare thing for committees these days. It has achieved a degree of collegiality which no longer seems to characterize the committees of this House because of the new rules. These rules make it very difficult for committees to have any degree of collegiality or cordiality or any degree of comradeship or any degree of working-together.

Mr. Nielsen: They have goon squads over there.

Mr. McGrath: As my colleague, the hon. member for the Yukon (Mr. Nielsen) has pointed out, not only is there a lack of collegiality but we have witnessed the moving goon squads. They move from committee to committee to boost the government's side so that the government's position can always be maintained.

An hon. Member: What crap!

Mr. McGrath: Mr. Speaker, the special committee, referred to in the Speech from the Throne, was set up on January 23 and has heard 35 witnesses in 28 meetings. Many of these meetings were four-hour sessions, although there were times when the committee sat longer. I am sure that members of the committee, without exception, view with as much concern as I the failure of the government to proceed with the implementation of the recommendations of the first report and the attitude of the government, generally, to this special committee and the two reports.

We view it with great concern Mr. Speaker, because the subject before this special committee of the House is one that requires urgent and immediate attention. It is difficult, if not impossible, for us to understand why the government does not treat the committee with the same sense of urgency and the same sense of immediacy as the committee is viewed by its members.

Members of this House, without exception, are affected by rising food prices but there are those in our society who are more affected. I refer to those people on lower and fixed incomes, the working poor and the unemployed. The over half a million Canadians who are unemployed have to pay the same inflated prices for food, have to make it on unemployment insurance benefits, have to feed their families on their weekly unemployment cheques or, worse, on their weekly welfare cheques. We are talking about 500,000 Canadians, citizens of this country who have families to support.

Then, there are the working poor whose ranks are growing rapidly because of the escalating rate of inflation.

Food Prices

According to the report of the Senate Committee on Poverty—and I might say that this is an excellent report and one which has been largely ignored by this government—in 1971 a family earning $3,000 a year, which of course is well below the poverty line by today's standards, spent 27.9 per cent of their income on food. A family earning up to $9,000 a year spent 18.8 per cent of their income on food and those lucky enough to earn $15,000 a year spent 13.4 per cent of their income on food. If we update these figures from 1971, Mr. Speaker, to take into account the rate of inflation since then, we find that the $3,000 a year income family now spends approximately 31.2 per cent of its budget on food; the family earning up to $9,000 a year spends 21 per cent of its budget on food and the family earning up to $15,000 a year spends approximately 15 per cent of its budget on food. So you can see, Mr. Speaker, that these figures give us some idea of the crisis situation we are in and the toll that inflation takes of the working poor.

The low income groups of this country and the unemployed of this country are the hardest hit. That is why it is difficult, if not impossible, to understand why this government ignores this crisis. Low income earners have come nowhere near keeping up with the 15.8 per cent yearly increase in the cost of food since August, 1972 and they have come nowhere near keeping up with the almost 50 per cent increase in the cost of food since 1961. The minimum wage in this country is still below $2 an hour and, unfortunately for many, the minimum wage is often the maximum. I remain convinced that rising food prices and inflation are the chief causes of labour unrest in this country.

● (1550)

Nutrition is a critical factor in poverty, one which is often forgotten. The children of poor families must eat, too. It is well to refer to a recent study in Montreal which shows that 20 per cent of the population of Montreal lives in poverty. Also, 44 per cent of that city's slum families are undernourished. Yet still the Minister of Agriculture (Mr. Whelan) and the Minister of Consumer and Corporate Affairs (Mr. Gray) tell us that food is a bargain, even at today's prices.

All the consumer education available in this country, all the consumer protection, consumer laws and shopping skills, are meaningless if you do not have sufficient income to put food on the family's table. That, Sir, is the problem facing many in this country today. According to the latest statistics available, and according to the Economic Council of Canada, one half million families, or 22 per cent of all family units in Canada, live in poverty. They live in poverty according to the definition of the Economic Council of Canada. That is why the committee recommended in its second report that the government pay special attention to implementing the recommendations in the first report and consider immediately a program to provide food directly to low income Canadians.

In its first report, the committee recommended that the government of Canada immediately proceed to promote a federal-provincial sponsored program to get food directly to the children of this country who suffer from malnutrition—that is a strong word. In other words, the committee desired to get food to the working poor of this country, to those who live on fixed incomes and to those who live on welfare. I consider that to be an urgent matter, when one considers the 3.2 per cent increase in food costs in one month. That is why I consider the work of this committee to be of an urgent nature.

It would also be well to refer to two of the other recommendations of the second report. I do not mean to downgrade any of the recommendations of the report, because we helped to draft the report and we support it. We only say that it does not go far enough.

Recommendation No. 8 reads:

> Because an adequate supply of essential food is vital, the Committee recommends that the Federal Government consider the advisability of immediately implementing policies to encourage farmers to increase steadily the production of staple foodstuffs on a basis that will provide a fair income for the farm family and basic food at a reasonable price for the consumer.

My colleagues will have more to say about that during the course of this debate. Recommendation No. 9 reads:

> The Committee recommends that the Federal Government consider the advisability of protecting the Canadian market from the pressures of world food requirements by ensuring that domestic prices reflect domestic demand and supply.

We suggest that consideration should be given first to the domestic consumers of this country but, at the same time, we must ensure that Canadians can take advantage of world market conditions. That has always been our policy and we have never advocated any other.

As the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) said last Thursday during the emergency debate on the consumer price index, this country has probably the greatest food producing capability of any country in the world, and it follows that we ought to provide incentives to our farmers so that they will produce more food.

Because of the 3.2 per cent increase in the cost of food during August, because of the failure of the government to deal adequately with this serious situation and, as well, because the Food Prices Review Board under its present terms of reference is powerless to act and cannot meet the present situation adequately, as we have said before, now repeat, underline and cannot emphasize too greatly, the hon. member for St. Paul's (Mr. Atkey) will move an amendment to send this report back to the committee. I hope the government will permit this amendment to come to a vote. I hope the government will be seized with the same sense of urgency with which we are seized and permit this amendment to come to a vote, as this will give the NDP an opportunity to demonstrate and underline their concern, as expressed by their leader in the statement of September 13. It will give that party a chance to demonstrate to Canada that it is not really hanging on to the coat tails of the Prime Minister (Mr. Trudeau). Perhaps if they give us that support, if the amendment is allowed to come to a vote, we may be in a position to force this arrogant and heartless government to do something soon about rising food prices in Canada.

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, as I listened to the remarks of the hon. member for St. John's East (Mr. McGrath), I was struck by his somewhat selective version of what took place in the committee, the report of which is being discussed this afternoon. I was

not as struck as he was by the atmosphere of cordiality. I can well remember a number of occasions, particularly in the early stages of that committee, when there were vigorous and sharp disagreements on the part of various members as to what the committee reports ought to contain. It is worth noting that the second report of the food prices committee in some respects does not deal with the central issue of rising food costs, the reason being that there was such widespread disagreement on the part of members that we were unable to arrive at any consensus as to a specific recommendation.

This afternoon I want do deal with one or two aspects of the second report and comment more fully on the exigencies of the Food Prices Review Board and its fate since it was established. I will conclude by talking about one factor in rising food costs in Canada which I feel has not received sufficient attention in the last few months.

I begin by commenting on the report itself. I note that among the recommendations of the second reports is one dealing with advertising. Having heard the testimony of the supermarket representatives in the course of the June and July hearings, I was struck by their efforts to suggest that total advertising costs are a very small percentage of the figure representing their total sales. It is unquestionably true to say that, in a high volume business like the retail food business, the expenditure on advertising will form a relatively small percentage of the amount to be set against total sales. Let us remember, however, that many types of food are not advertised at all or advertised minimally; also, a good proportion of the food sold on supermarket shelves consists of non-advertised private label brands. If we then take the remaining volume of food sold and apply against that total advertising costs, we will see that, in respect of such items as are advertised, the cost of advertising is significantly high, or forms a significant percentage.

It is worth noting that the second report of the committee contains the statement that private label brands which are not nationally advertised can bring about effective savings to the consumer in the order of 20 per cent per item. I am talking about products of comparable quality and value. The supermarkets themselves admit that the savings with respect to private label brands represent about one fifth, if one compares those brands with nationally advertised brands. At a time when rising food costs concern us all, the conclusion of the committee that private label brands form a large proportion of total supermarket sales is a worthwhile one.

● (1600)

I was also struck by the efforts of the supermarkets to present their profit performance as a percentage of sales. By the time the committee finished its hearings, it was generally agreed, even by representatives of the retail food outlets, that this was not in fact a very meaningful or good measure of a profit performance. We were finally able to get profit pictures in terms of equity or assets.

When the representatives of the supermarkets appeared before us, they assured us that the practice of double or triple price labelling, which came to the attention of the public in mid-August, was one which they deprecated and in which they did not engage. We were given very firm assurances that nothing of that kind took place and the situation simply did not arise where a consumer would find one, two or possibly three price labels on a product. However, this August, as a result of some investigative work by some of Canada's newspapers, a story appeared to the effect that many supermarkets had, in fact, many products on their shelves with one, two or three price labels.

When I put that fact against the assurance that was given by the supermarkets with regard to that particular practice last July, I wonder about some of the other assurances the committee was given by the same supermarkets. I may say that having only one price label on a product does not solve the problem for the consumer. The nub of the point is, are the supermarkets raising the prices of products which are already in inventory and which were purchased at a lower cost than newer shipments? If there is only one label, it may just be that the supermarkets are on the ball. The question is, what is the amount on the label and are the supermarkets over-charging the consumers? As I say, these supermarkets gave us assurances. In light of what has happened since then, I am not sure those assurances are necessarily all that comforting.

Dealing with the Prices Review Board, I may say this body might be called the ugly duckling of Canadian politics. I may say in passing that I recollect the ugly duckling eventually grew into a beautiful swan. If I and my party had anything to do with it, we would make sure the Prices Review Board did not remain an ugly duckling, but became a swan. I certainly look forward to support from my friends in the Conservative party in the committee.

The concept of a prices review agency has been proposed by the New Democratic Party for a number of years. Its purpose would be to give the consumer, at a time of rising prices, some assurance he is not being cheated in the market place. As we conceived and proposed it, the scope of the board would range widely over the economy, concentrating on those pivotal industries whose leverage on economic performance is greatest. It would have effective power to implement whatever conclusions it reached. That still remains the position of this party, as reiterated as recently as last July in Vancouver.

I want to take this opportunity to quote briefly from a resolution adopted by our convention at that time:

> A powerful new Prices Review Board must be set up to protect consumers from unwarranted price increases and from gouging by unscrupulous dealers who would charge everything the traffic will bear. The Board must cover not only food, but other essential industries. Parliament must pass legislation to empower the Board not only to undertake searching investigation of price increases but, where necessary on a selective basis, to impose price ceilings or roll-backs.

Mr. Hellyer: Will the hon. member permit a question?

Mr. Grier: Not now, Mr. Speaker. I prefer to conclude my speech first.

At the end of the first series of hearings of the food committee, the New Democratic Party proposed that the committee recommend the establishment of a prices review board dealing with food which would have powers of roll-back. At that time, we limited our recommendation to food. We were dealing with the subject of food in a special committee set up by this parliament to take a look

at food prices. We did not want to play politics with the issue, but wanted to see if we could win some support for our proposal. My friends in the Conservative party would not have anything to do with it. They wanted, and I do not question their sincerity, a wide ranging program of freezes and controls. They made that point. Otherwise, they would not go along with anything. The Liberals on the committee reluctantly agreed to the principle of having a prices review board, but wanted any powers of sanction, which we had hoped would be given to the board, to remain in the hands of the government.

On that somewhat unsatisfactory basis, the committee came to a majority decision to recommend the establishment of a board to this parliament. I am happy to say when the first report was debated and approved by the House, among the conclusions approved was that of a prices review board. Shortly thereafter, the Minister of Consumer and Corporate Affairs (Mr. Gray) announced the establishment of a board under the Inquiries Act. As far as that announcement was concerned, we approved it. We believed that a board established under the Inquiries Act, given full powers of investigation, could get under way more quickly than would have likely been the case had the government brought legislation of a similar nature to this House.

Our quarrel was not that the board be set up under the Inquiries Act, but that the board be given significant powers to impose roll-backs of prices where necessary. Nothing in the debate which took place in this House or in committee up until that time gave us the slightest assurance we could look forward to any support from those in the Conservative benches who were still tied solely and obsessively to their proposal for wage and price controls. With those defects and short-comings, the Prices Review Board went into operation. Since that time, I regret to say, the defects have loomed up and become more noticeable.

I want to comment on three or four of these defects. First, the government did not appear to take the role of the board very seriously. According to a statement which the board chairman made to the public as late as August, the board received very little co-operation. In fact, in some respects it was being obstructed by government departments through failure to provide the necessary staff.

In August, the CPI figures were released. I can just hear someone sitting around the cabinet table asking what the Prices Review Board was doing about this. It was not until that time the government woke up to the fact it had a Prices Review Board. The minister was obviously told in no uncertain terms to make sure the board got functioning as quickly as possible. I believe the minister is guilty of complacency and considerable political shortsightedness.

If the Prices Review Board had begun functioning earlier and more favourably, it would have been better for the Canadian consumer and, I assume, the government. However, the board seems to have taken too leisurely a view of its role. Not until publicly criticized in August did the chairman admit having that difficulty. What prevented her from indicating previously she was encountering this difficulty with the government and asking for the help of this House to get the staff required?

Up until the beginning of September, this board had only three meetings per se, two of which took place after the story which broke in the Toronto press about double price labelling in the supermarkets. I suspect that as a result of this rather cautious and leisurely manner of setting it up, the board received very little support from the government. I suspect, encouraged by the government, it has taken too narrow a view of its terms of reference.

● (1610)

It was not necessary for the Prime Minister to announce on August 13 that the board was to be given extra powers to investigate specific price increases. It is perfectly clear from the original terms of reference, and from Mrs. Plumptre's replies to my questions in committee in late July, that she believed she had those powers at that time. I cannot for the life of me see why it was necessary to go all through this rather pointless exercise of giving the board powers that it already had. But the government has consistently backed off the question of sanctions and powers for the board, and in this respect as yet I have had no indication of any different position being taken by my colleagues in the Conservative party.

It is all very well for them to argue that we cannot take a look at food in isolation, that it is all part of the same economy. But you can say that about every item or every matter that comes before this House. The fact is that a committee was set up to look at trends in food prices and it made a recommendation to establish a board to deal with food prices, yet every effort that we have made to force the government to give the board powers has been frustrated by the official opposition.

As recently as two weeks ago, I moved a motion in committee, and I am going to move an amendment later on this afternoon in very similar vein. I should like to read very briefly the substance on the motion: That the food Prices Review Board be reconstituted with full power to require cancellation or rollback of unjustified price increases wherever it finds them, those powers to include imposition of penalties against companies that gouge the consumer. I was sure that that resolution would commend itself to my Conservative friends, but in the end they voted against it. Perhaps they will indicate later in this debate why they took that position, given their concern that this government do something about food prices in Canada.

May I say in passing that I personally have not been terribly impressed by the performance of the chairman of the Food Prices Review Board. She gives me the impression that she talks too much and does too little. Hardly had she accepted the position before she was saying in public that she did not believe in wage and price controls. Regardless of whether I agreed with her, I thought that statement was unnecessarily provocative to the Conservative party, whose co-operation she surely would have required in her work. Then, last weekend the chairman of the board was quoted as saying that the Food Prices Review Board should not be given any powers, which I consider provocative to the New Democratic Party. I am not interested in what Mrs. Plumptre thinks. She is not being paid to run around giving opinions off-the-cuff on matters of this kind. She and her board are being paid to investigate and to make recommendations. This parliament will decide whether the board has any powers, not Mrs. Plumptre.

I could go on to talk about what I think is a somewhat patronizing attitude displayed in the first report toward shoppers. Shop carefully, she says. Are we to assume that Canadians are not shopping carefully? If they are shopping carefully, the prices of the commodities they are shopping for carefully are going up at the same rate as the commodities that they might be shopping for carelessly. To be told to shop carefully is cold comfort to the Canadian consumers at this time.

The support of this party is for the idea of a Prices Review Board that will do a job, for a board that must be made operational. Our comments and position with regard to the present personnel and the pace at which the board operates, I think I have made clear, are conditional and considerably qualified. At this point I am not interested in getting sidetracked into personalities. I would not be disappointed if Mrs Plumptre were replaced by a more vigorous and authoritative chairman, but this will not solve the real problem. The real problem is: Is this House—and I address myself to Conservatives as well as to the Liberal benches—now prepared to give this mechanism, approved by the House, established by the government, the powers it needs to enforce its investigations?

Why are these powers so important? Why is it that it is necessary for the board to implement its decisions rather than leave them to the government? I am sure I do not have to say to any member of the opposition that the assurances that have been received in the past from government benches do not leave one too comfortable in the belief that when a specific recommendation is made action will be taken. The Prime Minister said on August 13: "We will consider making illegal or unwarranted under law what now can be done but which is considered to be profiteering and which might be difficult to get at under our existing legislation". Translated, I think that means that if a recommendation came forward the government would consider implementing it. That assurance is not sufficient. But if in fact the government is willing to move to consider implementing recommendations of the board, why not do the thing properly and give the board the powers to implement its own recommendations? Give the board teeth. Give it the power to insist on rollbacks where necessary. It seems to me that would be not only the sensible but the swiftest way of dealing with the problem.

The hon. member for Don Valley (Mr. Gillies) talked the other day about breaking inflationary expectations. I cannot think of anything that would break those expectations more quickly and more satisfactorily than this board, and I hope they will do so very quickly. Examples of the consumer being unfairly treated in the marketplace should be sufficient to enable it to implement powers given it by this parliament to rollback or cancel increases, and would demonstrate that henceforth this agency of the government was willing, able and ready to protect the Canadian consumer.

I now turn to another factor in rising costs generally which needs to be illuminated rather more than was the case in committee or subsequently. I refer to profits and profit levels. When the supermarket representatives came before us they dealt mostly with their profit performance during the fiscal years 1972 and prior. These fiscal years ended some time in March or April of the year in question.

When we looked at the profit performances once they were translated in terms of equity, we saw that the healthy supermarkets were earning profits on equity ranging between 10 and 12 or 12½ per cent. They contended, I think correctly, that those levels of profit were not out of line with what was earned in other sectors of the Canadian economy.

It is only really since the summer of 1972, and particularly during the year 1973, that there has been a very substantial acceleration in food prices. It therefore seems to me significant to look, so far as we can find figures, at profit performances during this period. For example, Dominion Stores, at its recent annual meeting, announced that its net profit had increased in the first three months of this fiscal year, 1973-74, from the 18 cents a share of the previous year to 34 cents a share, an increase of almost 100 per cent. The chairman of the board said: "Well, the performance the year before was a very bad one and therefore with this increase we are catching up". I say not true. I remind hon. members that in 1973, the year ending March 1973, Dominion Stores earned a profit of 11 per cent on equity—10.9 per cent, to be precise, and in 1972, 11.2 per cent. It was in the fiscal year 1971, two years ago, that the so-called bad year occurred, and that was when the supermarkets were engaging in a price war.

When one looks at the food industry generally and not just supermarkets, one notes, for example, that for the year ending December 30, 1972 the net income of Burns Foods rose to $3.6 million from $2.9 million the previous year, an increase of 25 per cent. For the six months ending July 1, 1973 there was another jump of 24.4 per cent. The figures for the Becker Milk Company indicate a return on equity after taxes for the year 1972 of 20.4 per cent. Canada Packers showed a gratifying jump in net income over the identical period a year earlier of over $4 million, an increase of 40 per cent. The rate of return for the most recent year was 10.95 per cent, and during the 13 weeks ending June 30 this year the net income jumped by another 35 per cent.

● (1620)

Canada Safeway had a net income jump from $15 million in 1971 to $21 million in 1972, with a rate of return, as I said, of 12.6 per cent. I have already talked about Dominion Stores, and Dominion Dairies for the six month period ending June 30, 1973 showed net income up by 59 per cent. General Foods Limited, in the year ending March 31, 1972, showed a net income jump from $9.2 million to $10.3 million, a rate of return on investment on the other hand of 14 per cent. M. Loeb Limited for the 16 weeks ending May 19 of this year showed a jump in profitability of over 122 per cent. Maple Leaf Mills, in spite of a fractional drop in sales last year, showed company profits had climbed by 81 per cent. Quaker Oats showed a 12.6 per cent return on equity last year, and Schneider's Limited for the fiscal year ending October 28, 1972 showed a rate of return on investment of 10 per cent. Silverwood Industries for the 12 months ending March 23, 1973 had a jump in net profits of 775 per cent over the same period a year earlier. They probably have an explanation for that, but it is still a pretty healthy rate of increase. Western Stockyards Limited, and I do not know much about stockyards, showed a rate of return on equity of 22.9 per cent. Steinberg's Limit-

ed showed a rate of return on equity of 12.8 per cent for their year, 1972, and net income in the first three months of this year increased by 10 per cent.

An hon. Member: What about Loblaw's?

Mr. Grier: Mr. Speaker, I do not think I have to read all of these figures to indicate that at a time when the consumer has been particularly conscious of quickly rising prices, when various agencies and committees have conducted studies, one rather interesting phenomenon has emerged in the last few months as we begin to get some figures on performance in 1973.

An hon. Member: You forgot about Loblaw's.

Mr. Grier: I still have lots more, but I did not want to run out of time, and I wanted to bring to the attention of some of the less astute members of this House some very simple conclusions.

The simple fact is that the profit picture of companies, not only in the food industry but right across the economy, has been going up at an almost unprecedented rate. These rates are not compared with a bad year, as the so-called bad year in the food industry was two or three years ago. I am talking about improvements over a year which these companies told their own shareholders two or three months ago was a good year, and I might add that the year before was also a good year. We are talking about a phenomenon which shows that at a time when the consumer is digging into his own pocket to pay for food, shelter, fuel, mortgages and so on, the profit performance of companies supplying these services has shown a very healthy rate of increase. I want to suggest that the rate of increase is too healthy, and that it is time we considered the imposition in this country of something that might be called an excess profits tax. I have suggested that the rate of return enjoyed by these companies is too high, given the hardships to which the Canadian consumer is being put.

Let me suggest that if we take the whole profit performance of the Canadian economy in 1973, we would see that as a percentage of the gross national product the total profits of the corporations have gone up anywhere from $1.8 billion to $2.1 billion. When we take a look at the reasons for price increases, whether they be in the food industry or elsewhere, one of the phenomena we can and should look at critically is that in relation to the profit performance of these companies. I would suggest that it would be entirely in keeping with considerations of equity and fair play to the consumer that at a time when we are talking about a freeze here, a control there and a stop-gap measure elsewhere, we should consider imposing an excess profits tax, above which it would not be possible for companies to earn as a result of hardships imposed on the Canadian consumer.

In the time at my disposal I have dealt with an excess profits tax and the Prices Review Board. I come now to an amendment I wish to move, seconded by the hon. member for Vancouver Kingsway (Mrs. MacInnis):

That the second report of the Special Committee on Trends in Food Prices be not now concurred in, but that it be referred back to the said committee for the purpose of giving reconsideration to the inclusion therein of a recommendation that the Food Prices Review Board be reconstituted with full power to require cancellation or rollback of unjustified price increases wherever it finds them.

Mr. Hellyer: Mr. Speaker, I wonder if the hon. member would now permit a question?

Mr. Deputy Speaker: The Chair is in some difficulty in this regard as the hon. member's time has expired. It was agreed earlier that we would hold the first round of speakers to 30 minutes, and subsequent speakers to 20 minutes. However, if the House gives its consent, I will permit the hon. member to ask his question.

Some hon. Members: Agreed.

Mr. Hellyer: Mr. Speaker, would the hon. member advise the House whether he and his party envisage that the Prices Review Board, in addition to having the power to rollback prices if necessary, would have precisely the same power in respect of wages where these are out of line with the averages, and where they exceeded productivity to the point of being inflationary?

Mr. Knowles (Winnipeg North Centre): As in Newfoundland, for example?

Mr. Grier: Mr. Speaker, I would envisage these powers to be such that if a price increase was considered necessary or justified on the basis of a wage increase, the board would not consider it unjustified and would agree to it.

Mr. Deputy Speaker: Hon. members have heard the motion proposed by the hon. member for Toronto-Lakeshore (Mr. Grier), seconded by the hon. member for Vancouver Kingsway (Mrs. MacInnis). The Chair has a bit of difficulty in accepting the amendment, but perhaps there will be no objection to it. If there is objection or submissions to be made, the Chair would appreciate hearing them now.

Mr. Baldwin: Mr. Speaker, on examining this amendment I recall that there was another amendment moved at the time the first report was presented to the House some months ago, in April I believe. At that time I think the hon. member for Dauphin (Mr. Ritchie) proposed an amendment. It was not in the same terms but was generally along the same lines in that it suggested that the committee should consider granting the Review Board certain powers not included in the reference or the report. At that time I spoke on the point of order and Mr. Speaker, who was then in the Chair, after consideration held that the amendment was not in order. I do not have the citation before me, but the ruling stays in my mind very clearly.

I must suggest that there is the same reason for rejecting this amendment now. There are several hon. members who were members of the committee now present. They are conversant not only with the parliamentary law which applied, but also with the facts. One of my colleagues has shown me the citation which appears at page 3392 of *Hansard* for April 17, 1973. The amendment at that time proposed was:

● (1630)

That the motion for concurrence in the interim report of the parliamentary committee studying price trends in food be amended by

(1) inserting after the word "be" the word "not" and by

(2) deleting the period after "in" and adding thereto "and that the said interim report be referred back to the said committee with the instruction that the committee recommend to the House that

(a) its terms of reference be widened to include a study of all prices and costs, and not just food prices, and

There is, of course, a distinction there, but at the same time there is some resemblance in that there is a widening of the original terms of reference.

(b) the government consider the advisability of instituting an immediate 90-day "freeze" on all incomes, costs and prices, exempting only the price of food "at the farm gate", and

(c) the government consider the advisability of taking measures to stabilize costs in the Canadian economy and to halt the rise in the country's cost of living, after the period of the 90-day "freeze".

I grant that this amendment, proposed by the hon. member for Dauphin, did go a stage further but the principle seems to be much the same that it was, in fact, directing the special committee to include certain recommendations far wider than those contained in the terms of reference and the report the House was considering.

In his ruling at page 3392, Mr. Speaker made that quite plain with his very forceful, eloquent and sound judgment which since I have come to appreciate. I am not so sure I appreciated it at that time, but now I understand it a little better. Mr. Speaker said:

I might say that my main reservation is that this appears to be an entirely new question, and I cannot think that that can be considered as an amendment at all. I will listen to hon. members, but I suggest they would have to do quite a bit of convincing before they would satisfy the Chair—

Your Honour at this time did not go quite that far, but I did detect in your remarks a willingness to at least be convinced.

The only other citation I have is one which goes back some years when the House was considering the changes in the Standing Orders which were brought in by the Special Committee on Procedure. At that time, there was a motion to concur in the report of the Standing Committee on Procedure and Organization. This was at the time when the present Minister of Energy, Mines and Resources (Mr. Macdonald) was House Leader and was talking about the virtues of Standing Order 75 (a), (b) and (c), that ill-conceived motion of which he was the parent. At that time, on behalf of my party, I moved an amendment that one clause of the report be deleted. That course not being satisfactory to the government, which was anxious to impose its rather autocratic rules of closure in this House, the then whip of the Liberal party, Mr. Deachman, moved a subamendment to my amendment. The proposal in his amendment was that the motion be changed so that the committee would, in fact, be recommending an entirely new form of Standing Order 75. Mr. Speaker at that time, after very careful consideration, held that the subamendment proposed by the then hon. member for Vancouver Quadra was not in order.

While my amendment proposing the deletion of one part of the report of the committee was in order, the government, through one of its members, was attempting something that was not in order. I think that case is on all fours with what is being tried at the present time. I would ask Your Honour to give some consideration as to whether or not this amendment can be moved without bringing forth a completely new issue.

Mr. Grier: Hypocritical nonsense.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, first of all may I clear up a minor point. If my good friend, the hon. member for Peace River (Mr. Baldwin), has made as I shall demonstrate one error, I suggest he has made others. The hon. member referred to the amendment on page 3392 of *Hansard* for April 17, 1973 as having been moved by the hon. member for Dauphin. May I remind him, although as a Conservative he ought to know his colleagues apart, it was moved by the hon. member for Northumberland-Durham (Mr. Lawrence). So, that is the one point on which he is wrong.

Mr. Baldwin: We are quite interchangeable.

Mr. Knowles (Winnipeg North Centre): My friend says the Tories are quite interchangeable. That is not the way we see them.

Mr. Speaker, when you first suggested that you had some difficulty about this amendment I thought it was only a minor question that was worrying your Honour and I was not sure whether it would be necessary to take the floor on a procedural point. However, in view of what the hon. member for Peace River said, it is obviously necessary to set the matter straight. It is precisely because of the ruling Mr. Speaker made on April 17 that we restricted the amendment we are presenting to the House to something that clearly would be in order. The amendment moved on April 17 by the hon. member for Northumberland-Durham clearly went beyond the original terms of reference given the committee. It sought clearly to go beyond food prices to prices of all kinds, and suggested a number of other things which Mr. Speaker on that date found to be so far removed from the original terms of reference that there was not any possibility of his accepting that amendment. I may say, as you will note in the record, that I fully agreed with the ruling made on that occasion. Accordingly, when in our party we were drafting the amendment which has been presented by the hon. member for Toronto-Lakeshore (Mr. Grier) I may say we toyed with an amendment which would go beyond food prices but we were confronted with this ruling and the precedents which say that a committee cannot go beyond the terms of reference given to it.

The terms of reference of the committee as laid down in the original motion this House passed in January dealt only with food prices. I may say there are plenty of citations to the effect that at no point can a committee be asked to do something that would go beyond its terms of reference. These terms of reference could be enlarged, but that could be done only by a substantive motion given with notice and cannot be done by way of amendment to the motion for concurrence in a report. Therefore, the amendment before us in the name of the hon. member for

Toronto-Lakeshore is limited within the four corners of the question of food prices. It is limited within the rights originally given the committee to make recommendations in respect of food prices and not in respect of anything else.

May I draw Your Honour's attention to some of the citations which bear on this question. One might well look at citation 323, paragraph (2) of Beauchesne's Fourth Edition to establish something that cannot be done which perhaps is not necessary to the argument but which we might as well have clear. That subparagraph reads:

A report from a committee cannot be amended by the House, but it must be referred back to the committee.

We all know this, but it is as well to have on the record that we cannot here on the floor of the House amend the report of the committee, but can refer the report back to the committee. This is precisely what the amendment of the hon. member for Toronto-Lakeshore (Mr. Grier) proposes.

Then, you will notice the following words in Citation 322 of Beauchesne's Fourth Edition:

● (1640)

When the motion to concur is proposed the report may be referred back to the committee for further consideration or with instruction to amend it in any respect.

That is precisely what the amendment proposes, namely, that the report be referred back to the committee for the purpose of considering or reconsidering a question which comes within the four corners of the original terms of reference. Citation 322 goes on as follows:

It is not competent for a committee to reconsider and reverse its own decision,—

We accept that the committee made its own report and it cannot change it by its own motion.

—but if the House resolves that such reconsideration is necessary, the correct procedure is for the House to give the committee instructions which will enable it to consider the whole question again.

I do not see how we can argue about it at all. That is precisely what the amendment is asking, that the report be referred back to the committee and that the committee be given the authority to consider again the whole question of the powers that should be recommended for the Food Prices Review Board.

There are one or two other citations that underline the right to refer reports back to the original committee. Citation 325(4) reads:

When a motion is made for concurrence in a Select Committee report, it is competent for the House to adopt it, reject it, refer it back to the committee or decide that consideration of the report will take place "this day six months".

There is a citation that gives four choices. We have chosen one of them, namely, the right to refer the report back to the committee. Likewise, in Citation 326 we read:

The report of a Standing Committee should be considered final only when it is adopted by the House, because, until then, the House can refer it back to the committee with instruction to amend it in any particular.

That is where we are. This report has not yet been adopted by the House, it is not yet in final form because at this moment the House has the right to refer it back to the committee with an instruction to amend it in any particular. We even refrain from the arbitrariness of the language that it be instructed to do so and so, and instead we give it the authority to reconsider the whole question of whether one of its recommendations should not be that the Prices Review Board have the power to consider and order rollbacks.

There are other words of wisdom in Beauchesne to be found in Citation 220 on page 182, but it is a lengthy paragraph and I do not think I will read it now because the gist of it was summed up in my earlier remarks on this point, namely, that when a report is referred back to the committee or when an instruction is being given to the committee in the first instance, in the second instance, or in any other instance, it cannot go beyond the original terms of reference that were given to the committee. Perhaps I should read two or three sentences near the bottom of page 182. The Speaker of the Commons of the United Kingdom said this:

'The principles which guide a limit in the system of instruction on going into Committee may be thus stated: First, an instruction must empower the Committee to do something which the Committee is not otherwise empowered to do. Secondly, the purpose of the instruction must be supplementary and ancillary to the purpose of the Bill, and must fall within the general scope and framework of the Bill.

It is true that this citation relates to a bill, but the same principle applies to a report and I think it has to be accepted that the recommendation back to the committee has to be supplementary and ancillary to the purpose that was given to the committee in the first place. The citation goes on to say:

Thirdly, it is irregular to introduce into a Bill, by an instruction to the Committee, a subject which should properly form the substance of a distinct measure, having regard to usage and the general practice of enacting distinct statutes for distinct branches of law'.

It was on that basis that on April 17 Mr. Speaker ruled out of order the amendment of the hon. member for Northumberland-Durham (Mr. Lawrence), principally because it did not stay within the confines of the subject matter of food prices. Indeed, on page 3392 of *Hansard* he was very strong in the statements he made, in the second column on that page, to the effect that he did not see how it could possibly be considered as an amendment. He was referring to the amendment of the hon. member for Northumberland-Durham. He went on to say:

In the amendment that we have before us is an entirely new question, suggesting that the committee report be not concurred in but that the committee be instructed to consider a number of alternatives which were not referred to in any way in the original terms of reference given to the committee.

As I say, we were fully aware of that ruling and of the general principles that apply to instructions to a committee, and therefore my friend, the hon. member for Toronto-Lakeshore, limited his amendment far more than he would like to have done in terms of our interest. He would have liked to have gone into the question of prices across the board, but we accepted the procedural limitation and moved that the committee simply be asked within its terms of reference, that have to do with food prices, to reconsider a matter that was already dealt with in that committee, namely, whether or not the Food Prices

Review Board should have power to order rollbacks. The fact of the matter is that in that committee this matter has been dealt with, which proves that at least the chairman of that committee felt that it was a proper subject of discussion in the committee, namely, rollbacks on food prices. The proposal did not carry because of the votes that took place in that committee, but the right of the House to give a committee the authority to reconsider a proposition is clearly sustained in the various citations that I have read.

Therefore, in summary I contend that the hon. member for Peace River was not as astute as he usually is when he tried to see any comparison between the amendment of the hon. member for Northumberland-Durham and the amendment now before us. The former amendment went beyond the terms of reference of the committee, but the one now before Your Honour is within the terms of reference of the original committee and we think it is proper for the House to ask the committee to reconsider its position on this important matter.

Mr. Reid: Mr. Speaker, in reading the short debate that took place on April 17, 1973, Mr. Speaker made the point that he could not accept the motion moved by the hon. member for Northumberland-Durham because it was a new question and therefore a 48-hour notice had to be provided in the usual way. I will quote briefly from the argument Mr. Speaker made as reported on page 3393 of *Hansard* of April 17, as follows:

> I think that is one of the arguments which could have been submitted in support of the amendment proposed by the hon. member, but he himself recognizes that what he has put before the House is a new term of reference and, therefore, a new question. Certainly, the House is entitled to consider a new question. However, if it is a substantive motion which is proposed by the hon. member for Northumberland-Durham, then he has to satisfy the other requirement of the Standing Orders, which is that 48 hours' notice of any new question or new motion shall be given unless the motion is proposed under the terms of Standing Order 43 and there is unanimous consent.

The question to be decided is whether the proposition which has been advanced by the hon. member for Toronto-Lakeshore is, indeed, a new question or not. The question here is that the Prices Review Board be reconstituted with full power to require the cancellation or rollback of unjustified price increases. It seems to be a question of substance going far beyond what was included in either the first or the second report. Indeed, I believe that an argument could be made that the question of the rollback of prices by the federal authority is far beyond the legislative competence of the House of Commons. Therefore, I would submit to Your Honour that it is indeed a matter of substance. It is a matter of new business, and therefore the motion is not acceptable under those conditions.

● (1650)

The other point I wish to make is that the committee still has its original terms of reference before it. That committee is still sitting. It will have a meeting tomorrow. I understand that the Minister of Agriculture (Mr. Whelan) is to be the witness.

I would like to draw Your Honour's attention to citation 220(1) in Beauchesne's Fourth Edition at page 182. He is speaking of the instruction or the motion which gives a committee power to do whatever is contained in the motion, and he says:

> If the subject-matter of an instruction is within the scope of the question referred to the committee then such instruction is useless and irregular.

If one accepts the principle that the committee is still sitting, still has its original terms of reference before it and, as the hon. member for Winnipeg North Centre (Mr. Knowles) pointed out, had already discussed this matter, then it seems to me that according to this citation the motion to amend the second report is useless and irregular.

Mr. Broadbent: On the same point of order, Mr. Speaker, I would first like to comment on the observations that we just heard against the acceptability of the amendment. The point was made that the subject matter contained in the amendment introduced new material and for that reason should be ruled out on procedural grounds. The crucial point is that the so-called new material included in the amendment is new only in terms of the report of the committee to the House. Surely, this is the crucial procedural question. It is not new in terms of the authority given to that committee by this body. That is the crucial point at stake here.

The hon. member would have been absolutely correct in his argument if the amendment moved by the hon. member for Toronto-Lakeshore (Mr. Grier) had gone beyond the terms of reference given to the committee by this House. But precisely because the hon. member for Toronto-Lakeshore took great care to stay within the terms of reference given to the committee then it seems to me it is clearly acceptable.

It is inappropriate to argue, as the government spokesman has done, that an amendment has to be ruled out because of the contents of the committee's report. In fact, the committee during its meetings discussed at some considerable length the subject matter that is included in the amendment moved on behalf of the NDP by the hon. member for Toronto-Lakeshore. On that crucial ground, I think it is fully within the terms of reference of the committee, and Your Honour should rule in favour of its acceptability.

I should like now to turn to the original objections made to this motion by the Conservative party. The argument that is crucial in that respect against the Conservative spokesman, the hon. member for Peace River (Mr. Baldwin), is that his reference to the April 17 decision of the Speaker is a totally wrong reference, it in fact being one that supports the acceptability of the amendment rather than the argument against it. At that time the terms of reference were clearly exceeded by the Conservative motion, and therefore Mr. Speaker appropriately ruled it out. On this occasion the terms of reference are clearly sufficient to include the amendment proposed by the hon. member for Toronto-Lakeshore, and therefore it should be considered totally acceptable.

However, for the Conservative party to enter into this kind of procedural debate on an issue which it said was so important, shows the almost unqualified degree of hypocrisy which that party has in facing this issue. Conserva-

tives voted against this amendment when it was originally proposed—

Mr. Deputy Speaker: Order. The hon. member is getting outside the point of order. I thank hon. members for their contributions and would ask the indulgence of the House for some 30 minutes while I prepare my decision on what has become a narrow but difficult point in my mind. I hope that the Creditiste, who is making the first-round contribution to this debate will be prepared to proceed now.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Before continuing with the debate, I should advise the House that pursuant to Standing Order 40 the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Calgary North (Mr. Woolliams)—Energy—Crude Petroleum—Inquiry as to meeting with Alberta ministers—Discussion of consumers' subsidy; the hon. member for Simcoe North (Mr. Rynard)—Health—Suggested institution of insured medical and surgical supplies for old age pensioners and others on low incomes; the hon. member for Cape Breton-East Richmond (Mr. MacInnis)—Cape Breton Development Corporation—Alleged failure of corporation to comply with legislation—Government action.

I thank the Creditiste spokesman for helping the Chair in these somewhat exceptional circumstances.

ROUTINE PROCEEDINGS

● (1700)

FOOD PRICES

CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE ON TRENDS IN FOOD PRICES

The House resumed consideration of the motion of Mr. McGrath.

That the second report of the Special Committee on Trends in Food Prices, presented to the House on Wednesday, July 25, 1973, be concurred in.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, we are now considering a motion for concurrence in the second report of the Special Committee on Trends in Food Prices, tabled on Wednesday, July 25, 1973.

Last Thursday this question was debated in the House by the Progressive Conservatives until 4 or 5 o'clock a.m. Friday and, at that time, I stated that the time of the House was being abused, that those very same subjects could have been discussed today on the occasion of the motion before us. Some people are always complaining that the Canadian public is paying too many taxes, that food, clothing, machinery, etc. are too expensive but when it comes to wasting the time of the House, for example—which costs thousands of dollars every day because of the mobilization of members, senators and staff—scruples are not too high. In fact they go as far as discussing a question—which we could have debated today—until 4 or 5 in the morning to give the Canadian public the impression that poor Parliament members are working at night.

Mr. Speaker, the Progressive Conservatives are jokers; they are responsible for our coming back day after day in the House to gain some political prestige with the voters by arguing that they are most interested in the welfare of the people. I repeat that they are jokers.

As regards the proposals made by the Conservatives to fight the increasing prices of foodstuff their solution is the same today as a couple of months back: a price freeze. This solution was used in Great Britain to no avail and turned into a complete flop. This solution is still in force in the United States and again it proved to be a complete flop.

Meat producers for instance stopped selling their product on account of the price freeze and because they would not be bothered or forced by any government. Now food production in the United States is decreasing as a direct result of the price freeze. However, the black market is thriving in that country. You cannot buy meat in a butcher's shop at the price fixed by the government, but you can get some behind the counter on the black market, in the backstreet, at an excessice price. The Progressive Conservatives did not realize that.

Mr. Speaker, during the war there was a price freeze under the famous Wartime Price Board. Everything was controlled; rationing tickets were distributed to all Canadian consumers to enable them to buy preserves, sugar, tea, coffee and meat. The Mackenzie King government did not distribute the rationing tickets according to individual needs, but it shaped the people's stomach according to the size of the rationing ticket. We had that during the war.

At the regular price we had a hard time getting what we needed, but on the black market, we could bet anything. Sugar at 8c/ a pound was impossible to find, but if you paid 20c/ a pound, you could get 100 pounds of sugar! We saw this with our own eyes. The same was true for butter: on the ordinary market, you needed coupons, but on the black market you could get as much butter as you wanted at 10c/ or 15c/ more a pound.

The Progressive Conservatives do not remember this, even though these wartime controls had been imposed by the Liberals. Today, we are at peace, but they still talk of controls and of price and wage freezes.

My friends of the New Democratic Party do not want a price and wage freeze. If they could get a price freeze only without a wages freeze, they would be happy. But they are afraid to ask for a price freeze without a wage freeze because wages have a direct effect on the price of goods. Therefore, they go about it in another way. They say: We shall tax profits more. But they do not say that taxes also have an effect on prices. If profits were taxed, the result would be the same.

Mr. Speaker, I heard again a while ago the amendment which reads as follows:

That the second report of the Special Committee on Trends in Food Prices be not now concurred in, but that it be referred back to the said committee for the purpose of giving reconsideration to the inclusion therein of a recommendation that the Food Prices Review Board be reconstituted with full power to require cancellation or roll back of unjustified price increased wherever it finds them.

If this is not price control, I wonder what it is. It amounts to the same thing. However, it enables them to attack those who make profits. Steinberg Ltd. has increased its profits by 12 per cent; Dominion Stores Ltd has increased its own by 100 per cent; Burns Foods Limited by 25 per 100 and Canada Packers Limited by 35 per cent. Those are huge profits!

Mr. Speaker, the rationale of private enterprise is precisely to make profits. As soon as profits are done away with, personal initiative will disappear. That is clear. It boils down to what I have repeated often: The hon. members of the NDP do not tell us how those profits are used.

When we see buildings go up, whether they be Steinberg's, Chrysler's, Ford's or Dominion Stores', permanent jobs are created. Those companies do not pile up their profits in their bedrooms. The leader of the NDP knows that. Why don't they tell us frankly how those profits are used and whether, if those companies were replaced by the federal government, we would have better results.

I have even heard the chum of the NDP leader, René Lévesque, in Quebec, shout this at us in 1962: Let us nationalize power companies and become masters in our own home. This is what the leader of the NDP says: Let us nationalize, where necessary, to become our own masters, or let us confiscate their profits. It is one and the same thing.

Mr. Speaker, in 1962, René Lévesque shouted over the radio and television: Let us nationalize power companies. He meant Shawinigan Water & Power; Northern Quebec Power in my area; Quebec Power, in the Quebec area. And René Lévesque, leader of the Quebec separatists, told the Quebecers—

Mr. Lewis: He was a Liberal at that time.

Mr. Caouette (Témiscamingue): Yes, but before being a Liberal, he was an NDP.

Mr. Lewis: He was a Liberal minister.

Mr. Caouette (Témiscamingue): That is right, a Liberal minister. We see this at all levels. As a matter of fact he was a Socialist NDP and he became a Liberal minister. Today, if we look at the situation in Ottawa, we see that the members of the New Democratic Party are the ones who keep the Liberals in power. What is the difference? The Creditists are watching you dear members of the NDP.

● (1710)

Mr. Speaker, going back to René Lévesque who was saying: The day electricity will be in the hands of the government, all the profits of the big corporations will be available to the population. Your electricity will be less expensive. After 10 years, Mr. Speaker, have a look at the rates for electricity in the province of Quebec. We pay four times more after 10 years than we did under private enterprise 10 years ago.

This is what happens with Crown corporations and government control, this is what we come up with when we do away with the "motor" of private enterprise and of the personal initiative that profit brings about. If the purpose of profit was only to crush or choke people, I would go along. But these profits are used for investment, expansion and consequently for the development of the economy. Nothing is said about this, we hear only about profits so that the population will be impressed. The Socialists then say: down with private enterprise, let the government control everything.

Each time the government took something under control, it was a complete flop. There have been many flops in Saskatchewan during twenty years of CCF administration. Mr. Speaker, Saskatchewan has maintained itself with federal credits here during many years, not with CCF credits in Saskatchewan.

Consumer prices are rapidly increasing. It must be admitted however, the solution is not that which is being advocated by the members of the NDP.

The other day, the government put forth a solution concerning milk products by giving consumers a discount of 5 cents on a quart of milk. For 40 years we have been urging, let us subsidize consumers rather than producers. If the consumer has the required credit to buy, the producer will be financed through consumption. That is normal. But let us not try to finance consumption through production; it would be walking on one's hands rather than one's feet.

Mr. Speaker, the same thing will happen with bread. We are not the only ones to suggest that. Three weeks ago, on August 27, the Chairman of the Food Prices Review Board, Mrs. Plumptre, was reported in *Le Devoir* of August 27 as saying, and I quote:

Mrs. Plumptre urges consumers to protest to their members of Parliament.

The Chairman of the Food Prices Review Board, Mrs. Beryl Plumptre, has a piece of advice for consumers aggravated by rising prices: Complain to your members of Parliament," she recommended yesterday on the CTV national network.

Interviewed on the program Question Period, Mrs. Plumptre insisted on the fact that the powers of the board are strictly limited to making recommendations to the government.

It is quite clear; the government of Canada cannot be appointed to the board.

"When I accepted the position, she explained, I specified that I would report first to the public, then to the government." Consumers, Mrs. Plumptre continued, should complain to their members of Parliament about rising prices and make it known to them that if they do not do anything about that situation they will not be reelected.

"Members of Parliament are very sensitive to public opinion and it is up to the voters to push them in the back. MPs are in a very bad position".

Newspapers, radio and television, added the Chairman of the Food Prices Review Board, have also an important part to play: it rests with them to make the people aware of this increase in prices and to rally the Canadian people so that they protest to the government about the increase in the price of bread for instance.

And the price of bread has in fact increased.

The price of bread is expected to increase by six cents—

—it happened two weeks ago,—

—next week—

—three weeks ago, she told—

—and by four . . . cents in October.

"If we could get the federal government and the provinces to really examine the situation, we would perhaps have some results", Mrs. Plumptre said,—

In fact, some results were obtained since her statement.

—which claims for the government to adopt a policy concerning the storage of feed for cattle and a policy of "stabilization of reserves".

The first report of the board, Mrs. Plumptre noted, indicates some concern about people who are below poverty level. The government, she regrets—

Below poverty level, this means that when a dozen eggs sell for 99 cents—I bought one last week—those who earn $4,000 a year pay 99 cents just like the hon. member who earns $26,000. It is the same price for everyone. So, those who live below poverty level cannot eat eggs by the dozen too often, of course, because their income does not enable them to do so. I will come to my solution later.

I go on quoting:

—The government, she regrets, could have done something about family allowances—

This will be done by the first of October. Why? Because pressures are made on the government.

The Prime Minister (Mr. Trudeau) sais during the weekend, at the Liberal convention, that the government takes its responsibilities; yes, but why did it not take them when it had 156 supporters in this House? Why did it not increase family allowances three years ago instead of waiting till 1973? Why did we not increase the old age pensions? Because the government was feeling strong. In fact, with 156 members in Parliament, it was personified arrogance. With fewer members, the minority government has to come and see us from time to time and say: Listen, it might be dangerous; there will be a vote, would it not be possible to save us? I am willing to save the government, inasmuch as it does something to save the population. If it is not willing to do so, I am not willing to save it. That is for sure.

Family allowances—anyhow will be increased on October 1 and so will old age pensions.

I resume quoting:

What about poor people with many children?

I said it recently; the old age security pensions will be increased and a couple will get $341.80 a month; that makes more sense than $180.

However, mothers with five or six children receive social welfare benefits of $150 or $160 a month. But the government does not mention this. It does not talk about the people who really need help. Old people need help, but the blind, the invalid, those who cannot work to earn a living and needy mothers need more than they receive at the present time and the government does not act. But we need have no fear, Mr. Speaker, it will act because it is scared and fear is the beginning of wisdom. When a government is afraid to lose its power, hop! it relaxes a bit and adjusts to the situation.

What happens to the poor? We know what happens. I shall go on with the quotation:

● (1720)

She is not afraid of criticism. "If the government decides to dismiss me, I do not care—

She is not afraid of the government, even though she is chairman of the board!

What is important is that I do my best. If people are not satisfied, that is too bad."

She states the facts as they are.

Then, Mr. Speaker, it is not only a matter of bread and milk. Let us consider the price of eggs which, I said a moment ago, is 99 cents a dozen. This does not make sense; meat—everyone is complaining about it—is prohibitive. It is so prohibitive that almost everywhere horse meat is substituted for beef. Butchers are selling horse meat pretending it is beef so that they can make more profit because beef is beyond reach. I do not say that horse meat is not good, but I would not eat it, even though I am convinced that I have been served such meat without my knowledge. That is the honest treatment of the consumers by the food business.

Mr. Speaker, it is the same thing for milk, bread, canned foods; fruit and vegetables are quite expensive. Recently, on Mr. Jarraud's program on Montreal CKVL station from 7 a.m. to 9.30 a.m. I heard a farmer say over the phone that he has a 12 acre field of carrots and has no one to pick them. That man was losing 12 acres of carrots on his land. In other cases, it is tomatoes or apples.

We all know of the predicament of the apple growers in the Montreal area. They find it hard to recruit apple pickers. So they brought in Jamaicans. And I read in a morning paper that the federal government decided to pay transportation costs with the agreement of apple growers. The federal government is going all out. I do not object to hire Jamaican workers but how much more would it cost to say to welfare or unemployment insurance benefits recipients in Montreal: "Gentlemen, for four or five weeks, go and pick apples, and you will continue receiving your allowances or unemployment benefits". At the present time, they receive and they do not do anything. If we paid them a salary as surplus money, this would encourage them and we would have all kinds of manpower.

But no! If an unemployed decides to go on a farm and pick apples, they stop paying his benefits. He works four or five weeks, and then he stops working; he is again out of work, all the apples have been picked. Then, he goes back to the Unemployment Insurance Commission office, and is told by some official: Sir, you have not worked 8 weeks; therefore, you are not entitled to receive benefits anymore. So, the individual who has stopped drawing unemployment insurance benefits in order to go to work is penalized precisely because he went to work. And the minister says: This is the law. Well, it is a foolish law, Mr. Speaker.

The same applies to welfare recipients. They are caught working and are told: You rascals! You made so bold as to go to work. No more allowances for you! And when the

time comes to get further allowances, it takes months before they are eligible again.

The government is powerless in such situations. Some people say: Welfare comes under provincial jurisdiction and the federal government contributes 50 per cent. That's all.

But unemployment insurance, for instance, is a national scheme. If an unemployed who gets $80, $90 or $100 a week to do nothing, to remain idle, was allowed to pick up apples during four weeks, if he was told that he may earn money without running the risk of losing his unemployment insurance benefits, it would be an incentive to work instead of an incentive to laziness, as is now the case.

Unemployed deserve unemployment insurance benefits. Others manage to get benefits by cunning, even though they are not entitled to them. With regard to welfare allowances, the same situation prevails. Some regulations, some legislation should be passed to enable those people to improve their lot. On the contrary, they are punished if they work.

The same thing occurred with food, a few years ago. Western producers were paid not to grow wheat. Eastern dairy producers were punished and fined by the federal government for exceeding their quotas. Too much milk was being produced. The producers were told: You will be punished. And punished indeed they were. In all those areas, the government tried to reduce production and now it says: Prices are high; food cost is extremely high.

Mr. Speaker, as to the 14 per cent of 5 cents the quart of milk subsidy which the government proposed the other day to the benefit of consumers, my colleagues and I have been advocating just that in the House for the past 12 years, making ourselves the laughing stock of everybody: "Subsidies paid to consumers are you crazy? That was allright during the war because there was an emergency but in peacetime this has no common sense.

The government has now decided to subsidize consumers. Within the government there is more and more talk about consumers. Opposition members are still slightly dumb but they will get to it. So, what do we suggest? We suggest similar discounts on all food commodities. An agreement between federal and provincial authorities should be concluded. The machinery required to distribute the 5 cents per quart of milk does exist and millions of quarts of milk are sold. So we say that an agreement should be concluded between the federal authorities and the retailers for the prices to remain at their current level. The government could grant a discount of, say 20 or 25 per cent on the retail prices of all food commodities.

This would reach everyone. The required machinery exists. However, if those grants come from tax money the prices will obviously still tend to increase. So we say that new credits should be issued to pay for new grants since they do not exist at the present time. Therefore, new credits should be issued by the Bank of Canada to change the system so that the governor of the Bank of Canada, Mr. Bouey, stops increasing interest rates and starts serving the people. He is an interest manipulator; that is all he does. He draws up figures and if he is not able to do it, let me know and I will go and do it for him, and not figures based on nothing, but entirely on our resources and production.

Therefore, the subsidies granted for milk and bread should be applied to all food products after an agreement has been made between government and retail outlets. Those who do not want to take part in this program can opt out, but those participating will profit by the 25 per cent discount paid directly by the government. In this way, the consumer would pay 25 per cent less than at present. That would be an efficient way of fighting inflation and excessive food prices. Some can even laugh, but while we are laughing, there are some Canadian citizens who give a sickly smile and who do not find any thing funny.

This could be our solution. If we cut profits, prices will rise immediately and if we remove these profits, will the federal government spend them? And how? At present, private enterprise is expanding and I say that any country in the world is expanding to the extent that personal initiative is encouraged.

I was looking at the results of the recent election held in Sweden. The friends of the hon. member for Winnipeg North Centre (Mr. Knowles) nearly took a dive. And they have been in power for 40 years. That was called socialism par excellence!

[*English*]

Mr. Knowles (Winnipeg North Centre): They were in power longer than the Creditistes have been.

[*Translation*]

Mr. Caouette (Témiscamingue): It is something like that, but they have not been ousted by the New Democrats, except in British Columbia. Today, they are so sorry about it that they tried the other day to have young Bennett defeated in Kelowna. And the friend of my friend from Winnipeg North Centre really got it when this government was in power.

Such is the solution advocated by the Creditists and I think that electors will come to accept that idea and that we will finally enjoy reasonable prices in the best interests of all Canadian consumers.

[*English*]

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I welcome this opportunity to comment on the second report of the special committee.

The Acting Speaker (Mr. Laniel): Order, please. Possibly the minister will allow Mr. Deputy Speaker to intervene at this time and make the ruling he said he would.

Mr. Baldwin: That might make some difference in his speech.

Mr. Deputy Speaker: First, I want to thank the hon. member for Témiscamingue (Mr. Caouette) for his courtesy in making his intervention. It is very difficult to have so many thoughts coming to the Chair from the floor and to share them in a head which is also filled with a very vicious example of the common Canadian cold. I apologize to the minister that I did not get here before he was recognized for the purpose of making his speech, but in a few minutes he will have that pleasure. I would like to

thank hon. members for their contributions with regard to a very interesting point of order.

The issue is as follows. The hon. member for St. John's East (Mr. McGrath) has moved that the second report of the Special Committee on Trends in Food Prices be concurred in. This committee report is to be found at pages 509 to 514 of *Votes and Proceedings* for Wednesday, July 25. It contains nine recommendations. None of these deals directly with prices exept the first one which is as follows:

● (1730)

The committee recommends that the Food Prices Review Board immediately begin to study the effects of controls in other countries on the price and availability of food in those countries and furthermore discourages any attempt by the board to set itself up soley as an educational agency.

The hon. member for Toronto-Lakeshore (Mr. Grier) has moved an amendment to the motion for concurrence which is in these terms:

That the second report of the Special Committee on Trends in Food Prices be not now concurred in, but that it be referred back to the said committee for the purpose of giving reconsideration to the inclusion therein of a recommendation that the Food Prices Review Board be reconstituted with full power to require cancellation or roll-back of unjustified price increases wherever it finds them.

Procedural argument was then joined and the Chair has had the benefit of the best presentations possible. I have to remind members of the House that the special committee is still in existence and has scheduled further meetings. The relevant part of the original motion which set up the committee is as follows, and I quote from our proceedings on January 23 as reported at page 561 of *Hansard*:

That a special committee of this House be appointed to enquire into and make recommendations upon the trends in food prices in Canada and factors domestic and foreign which account for these trends—

It was not disputed by anyone taking part in the procedural argument that the purposes set out in the amendment of the hon. member for Toronto-Lakeshore were not within the original terms of reference setting up the committee. Is the hon. member, then, asking the House to review its decision to concur in a recommendation to establish the Food Prices Review Board? However, I will not determine the issue on that point.

The two issues that I must decide are as follows. First, is the amendment relevant to the content of the second report of the special committee? There is some doubt in the mind of the Chair that it is. Second, the report is an interim one, and while the committee may not wish to review any or all of the ground it has covered in its two interim reports, it does appear to the Chair that there is no impediment to the committee making a further or final report on any subject so long as that subject is within its terms of reference.

The attention of the Chair was drawn to the decision of Mr. Speaker on April 17. I think the decision as interpreted by the hon. member for Winnipeg North Centre (Mr. Knowles) does not deal with the point I am deciding at this moment. I have decided that the amendment proposed by the hon. member for Toronto-Lakeshore is out of order for the reasons I have mentioned.

[Mr. Deputy Speaker.]

May I refer the House, in conclusion, to citation 220(1) of Beauchesne's Fourth Edition, page 182:

If the subject matter of an instruction is within the scope of the question referred to the committee then such instruction is useless and irregular.

Some other citations that appeared to lend authority to the proposition that there could be a recommendation back to the committee were rejected by the Chair because it seemed to the Chair that they were dealing with final reports and the committee would not otherwise be in a position to function again. But there is no question in the mind of the Chair that the committee whose report is being considered is still alive and will be holding further meetings.

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, let me again say that I welcome this opportunity to comment on the second report of the Special Committee on Trends in Food Prices and to speak to this motion seeking the concurrence of the House in the report. I also welcome the rather belated conversion of the hon. member for St. John's East (Mr. McGrath) to the status of being a supporter of the Special Committee on Trends in Food Prices and its work. Certainly his approach today is a far cry from his approach when the committee was being created and during its first hearings. When the first report of that committee was being debated in this House, as the House will recall, at that time he and his Conservative colleagues voted against concurring in the first report, the one which he speaks in support of so earnestly today.

At that time the hon. member for St. John's East, as reported at page 3150 of *Hansard*, said:

—if that committee is to be effective, it can only do useful work within the framework of a freeze. That is why we do not support the recommendations, or the major recommendation, of the committee. That is why we, if this motion comes to a vote, will vote against it.

One can assess the merit and weight of his words today in light of what he said on April 10 last.

There has been a lot of discussion as a result of the August cost of living statistics which were released last Thursday. They are, of course, of concern to me and to the government and I hope they are of concern to every hon. member. However, I think it is something to be noted again that these statistics were gathered during the first week of August, and therefore this was before the measures announced by the government on August 13 and September 4 had begun to take effect. Since then there have been some hopeful signs that the prices of some of the items leading the surge in the food index in early August have begun to level out. Indeed, there has been an actual decline in the prices of some commodities such as beef and pork.

The statements of the Prime Minister (Mr. Trudeau) on August 13 and September 4 demonstrated the government's determination to assist Canadians in meeting the extraordinary pressures placed on the family budget by the worldwide inflation in the price of foodstuffs. In his statements the Prime Minister set out a comprehensive plan of action in three parts: first, measures to conserve and increase the supply of food; second, measures to help protect the consumer against those who may be taking

advantage of the present situation; third, measures to mitigate the effect of rising prices on those in our society who are likely to suffer most from excessive food price increases.

The areas covered by the government's plan of action relate to the recommendations in both the first and second reports of the special committee. I think the record will show that the government, in the initiatives that it has taken, has in effect responded positively to the thrust of all the recommendations of the Special Committee on Trends in Food Prices.

An important finding in the second report about which the hon. member for St. John's East spoke so strongly in support is the one which is a reiteration of a conclusion in the first report, namely, that "the primary cause of the dramatic rise in food prices during the past year in Canada appears to be a world shortage of many basic food commodities". In other words, it is not a problem peculiar to Canada; it is a world wide problem.

Mr. Baldwin: Blame the weather.

Mr. Gray: Therefore, the steps the government has been taking to deal with this situation have been formulated to take account of this international perspective.

During the previous debate on the motion to concur in the recommendations in the first report of the committee on April 10, I said that "controls are not a sure-fire solution to this problem; after all, controls introduced at the wrong time and without due regard to the fundamental factors governing food production could well lead to situations of decreasing supply and, in the long term, result in the development of a food price upsurge even more widespread than we have faced over the last year". This statement was, I think, convincingly confirmed by subsequent events in the United States. Since April we have seen in the United States the rise and collapse of a policy of attempting to curb food price increases by using price freezes and controls. It is generally conceded now, even by the United States administration, that this price freeze decision was a mistake and that a better solution to soaring food prices is to encourage food producers to increase the food supply and to do so in as efficient and competitive a manner as possible.

● (1740)

By the tenor of the recommendations of the special committee it would appear that most of its members at least also basically share this fundamental long-term approach to the food price issue. I think it is also instructive that when they examined the experience in the United States, many commentators concluded that such price freezes produced shortages and consequently led to even higher prices. Just yesterday, in the New York *Times*, Edward Cowan in an article datelined Washington wrote:

> With the transition from the Nixon administration's Freeze 2 to Phase 4 complete, whatever enchantment there was with price controls a year ago seems to have gone the way of most illusions.

It is something based on illusions then that the Conservative Party wants to make the basis for policy in this country. Mr. Cowan went on to write:

> The first reason is that prices are rising, and rapidly, 25 months after the President who resolutely opposed controls switched to them. Mr. Nixon's June 13 freeze has been followed by a new burst of inflation. Even administration economists believe that there has been a causal relationship.

Mr. Bell: What is the date of that, please?

Mr. Gray: Yesterday, Sunday, September 16.

Mr. Bell: You should see today's paper.

Mr. Gray: One of this government's decisions has been to hold in the near future a special federal-provincial conference to bring about the early development of measures to provide for the orderly increase in food supplies in Canada, and it has indicated its willingness to bring this about by measures providing greater assurances than previously to Canadian farmers that the increase in production will receive reasonable returns. In my opinion, this is an area which contains fundamental long-range solutions to the extraordinary increases in food prices that have occured in the Canadian economy this year.

There is a need for additional measures to bring about an orderly increase in food supplies, a market for foodstuffs that will hopefully avoid as far as possible the gyrations in prices, such as those in feed grains this year and this year's surge in beef, poultry and hog prices. The Canadian farmer is seeking greater stability of his income, and the Canadian consumer does not want to face increases in the food budget of the kind that have been the Canadian experience this year. Accomplishing these objectives is the continuing aim of the government.

The government has already acted to counteract price increases in several key commodities. The export controls on cattle and hogs announced in August appear to have had a salutary effect on beef and pork prices. The government has also been moving to forestall anticipated increases in bread and milk prices. The steps I have outlined are an indication of the government's efforts to deal with the kind of concerns reflected in the special committee's recommendations Nos. 8 and 9, namely:

> Because an adequate supply of essential food is vital, the committee recommends that the federal government consider the advisability of immediately implementing policies to encourage farmers to increase steadily the production of staple foodstuffs on a basis that will provide a fair income for the farm family and basic food at a reasonable price for the consumer.

Recommendation 9 reads in part:

> The committee recommends that the federal government consider the advisability of protecting the Canadian market from the pressures of world food requirements—

The second element of the government's plan of action covers measures to help protect the consumer against those who may take advantage of the present situation to make unwarranted price increases. Several of the recommendations of the special committee's second report reflect a similar concern. I refer to those concerning the Food Prices Review Board and the Combines Investigation Act. The second report of the committee recommended:

> The Food Prices Review Board immediately begin to study the effects of controls in other countries on the price and availability of food in those countries and, furthermore, the committee dis-

courages any attempt by the board to set itself up solely as an educational agency.

As the House knows, the special committee recently had the opportunity of meeting again with the board and of discussing with it its current activities. The board confirmed that it had in fact undertaken studies of the effects of controls in other countries and the first study on the experience, I must say apparently an unfortunate experience, of the United Kingdom has now been released.

The board further confirmed that it was not setting itself up solely as an educational agency. The government has acted to help ensure that the board is in a position to identify cases of unwarranted price increases by clarifying its terms of reference and by strengthening its investigative staff to enable it to carry out this kind of assignment. Members will be aware of the nationwide investigative survey now in progress at the retail level of food prices and pricing practices.

It is important to note, of course, that the board is an independent agency, and this was something recommended by the committee; it is an agency with wide investigative powers under the Inquiries Act. Because the board is an agency, independent of government, and it is not subject to the government's day to day direction. It was set up, as I have said, as an independent body and given an initial budget of some $500,000. It has the authority to recruit its own staff as it saw fit. I do regret, however, that its chairman did not come to me to indicate her concerns about staff before the early evening of August 13. I say this because my position throughout has been that the board was, and is, entitled to full co-operation from the government.

There have been suggestions from one opposition party's spokesman about changing the format of the board. Let me say in a preliminary and general way that the proposal to give the board the power to roll back prices raises very serious questions for the consideration of all hon. members. Hon. members of the House should ask themselves if they want to give a totally independent body the power to make decisions that could and would have wide-ranging effects on the economy that would affect supply and wages as well. These would be decisions without appeal and would be made by a body not accountable to the Canadian people through parliament, yet the Canadian people would hold their members of parliament accountable for those decisions. I may also add that if some members are not satisfied with the kind of decisions now being made by the board, they should ask themselves whether they would necessarily be more satisfied with the decisions it would make if it had the authority to order roll-backs or not to order them as it saw fit.

Let me repeat what the Prime Minister stated on August 13:

—in the event that the board reports that significant instances of profiteering have occurred which the parties concerned are unwilling to correct voluntarily the government will seek parliamentary authority to undertake corrective action.

Also, on September 4 the Prime Minister made this statement. I happen to have the French text here:

[*Translation*]

If the Board points out glaring abuses which those responsible do not eliminate, the government will resort to its powers to take the necessary steps. If it needs other powers, it will not hesitate to call on Parliament.

[*English*]

The board's first report has demonstrated, in my view, its willingness to actively carry out its mandate, a mandate which is also in the form recommended by the special committee—one of reporting to the public its findings and making recommendations for action both to governments and to the private sector. The government has already responded in a positive way to the board's first major recommendation, that with regard to subsidies to limit the possible increase in the price of bread.

The special committee has also recognized the importance of competition in the food industry and has made several recommendations in this area. The committee was concerned in its report about certain alleged practices in the retail food business and asked the Combines Investigations Branch to make certain investigations. I think the House will be interested to learn that the Combines Branch had already begun a research inquiry into the food manufacturing industry in early July before, in fact, the Special Committee on Trends in Food Prices had prepared its second report. The purpose of this inquiry is to study concentration levels, advertising expenditures and performance of firms in the food manufacturing industry, generally speaking the kind of practices that the committee in its second report asked the Combines Branch to examine. When the inquiry is completed, its findings will be considered by the Restrictive Trade Practices Commission.

● (1750)

Let me also discuss another recommendation of the committee calling for the immediate publication of an assessment of the 1969-71 food price war that the committee thought had been prepared. It would appear that the committee had in mind the following statement on page 27 of the annual report of the Director of Investigation and Research for the year ended March 31, 1971. It followed the presentation of a statistical study of concentration in food retailing which had been carried out by the director. The statement is as follows:

These structural developments are consistent with the 'price war' that occured in 1970 and 1971 even though its full effects remain to be assessed.

I have discussed this statement with the acting director and have been advised that the then director did not intent to convey the meaning taken from his statement by the committee. While developments in the food sector are kept under active review by the director as stated in the annual report, the director did not and does not have a study under way to assess and review the 1969-71 price war. It was simply intended to suggest that the structural changes which had occurred in food retailing had rendered the industry more prone to competition, that the price war which had erupted was consistent with that finding, and that the full effects of the price war "remained to be assessed". That is, that they had not been fully assessed.

Turning to another matter, in its first and second reports the special committee has spoken of the importance of the government's intention to modernize and update competition policy, particularly those areas dealing

with direct consumer protection. I have already confirmed that the government will be presenting its new competition policy to the House in stages, as recommended by the committee. I look forward to the bill covering the first stage being presented as soon as possible after certain final drafting revisions now under way are completed.

The committee has also asked that the government consider the advisability of proclaiming immediately the Consumer Packaging and Labelling Act. The committee was of the view that this might have a beneficial effect on food costs. I agree with what I believe to be the intent of this recommendation, that is, to bring these regulations into force as soon as possible. This is also my own objective. I now anticipate that the proposed regulations will be published in the Canada *Gazette* on September 22.

Mr. Baldwin: What year?

Mr. Gray: This year, of course. I see you are probably thinking of the past. I think, however, that the committee might agree, on reflection, that the act itself could not be proclaimed immediately at that point. These regulations will have to apply to an estimated 80,000 domestic and 40,000 imported pre-packaged products from food to hardware items. The law provides that there must be an opportunity given for public comment on the proposed regulations before they are finally promulgated into law. It would be my intention, therefore, to proclaim the act certainly by the end of the year.

The committee has made other recommendations in its reports about measures to assist the consumer in the marketplace. Since the first report the government has made a sizeable grant to the one national consumer organization to assist it in appearing before regulatory bodies and thereby to carry out a more active consumer advocacy role as recommended by the special committee, and I look forward to further efforts of the type being developed. Studies are being developed on the cost to the consumer and the food industry of putting nutritional information on labels, and also on the best techniques and methods of displaying this information so that it is readily understood by the shopper in the food store. This is being done as part of the work of developing legislation in this area.

The third element in the government's plans of action on food prices are measures to mitigate the effect of rising prices on Canadians generally, and particularly those in our society who are likely to suffer most. The House has been dealing with a series of government proposals to help the Canadian consumer in this area, including immediate increases in the family allowance to $12 monthly and the steps to further increase the old age and guaranteed income supplement by making quarterly adjustments where required by increases in the cost of living.

The special committee has recommended that programs be devised to provide food for low-income Canadians and with the passage of these measures those Canadians who have been hardest hit by the increase in food prices will have some needed compensation for the increase in their food budget. Also, as I said in the House on April 10, 1973, the Department of National Health and Welfare, through the Canada Assistance Plan, shares with the provinces 50 per cent of the cost of a number of assistance programs with special relevance to low-income consumers. My colleague, the Minister of National Health and Welfare (Mr. Lalonde), has consistently been encouraging the provinces to ensure that the rates under these programs adequately reflect the prices recipients have to pay for food and other essentials. In the last few months several provinces have raised the rates in their benefit structure to reflect rising prices and, of course, the federal share of the cost has risen accordingly.

I understand, further, that the Minister of National Health and Welfare and his department are actively examining what further programs might be called for in cooperation with the provinces and, recognizing the shared responsibility the provinces have in this area, to meet the needs of low-income consumers who may be facing additional nutritional problems because of the upsurge in food prices.

I think that what I have said, Mr. Speaker, confirms the efforts of the government in the areas dealt with by the recommendations of both reports of the special committee. In April, in commenting on the first report, I indicated that the government would strive to make a positive response to the thrust of each and every recommendation. This is also the position of the government with regard to the second report, and therefore it supports the motion to concur in the second report.

To conclude, Mr. Speaker, may I say that I am pleased to have been able to participate actively in the decisions reached by the government to help the Canadian consumer, announced in recent months; measures which include reduction in personal income taxes, sales tax and custom duties, export controls on cattle and hogs, measures to increase family allowances and old age pensions, and to limit price increases in bread and milk. I am continuing these efforts to have the Canadian consumer helped through practical measures that take into account the world wide supply and demand conditions causing the upward pressures on Canadian prices.

This is my concluding sentence, Mr. Speaker. It continues to be the government's position, as the Prime Minister said on August 13, that "if any further action is called for to protect the food supplies of Canadians, or to protect Canadians against further erosion of their purchasing power, it will be taken without delay", and the government has shown its ability and its commitment to take decisive action to deal with these problems in the interest of the Canadian consumer and in fact all Canadians.

The Acting Speaker (Mr. Laniel): Order, please. It being six o'clock, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Ron Atkey (St. Paul's): Mr. Speaker, I want to make it very clear at the outset that on behalf of our party I propose to move an amendment to this motion of concurrence, and in order that Your Honour may have full opportunity to consider whether there are any procedural

admissibility problems with this amendment, I propose to put the amendment now so that we might minimize any delay in Your Honour deciding on its procedural acceptability.

Mr. Speaker: Perhaps I should warn the hon. member that if he puts his amendment, that is the end of his speech.

Mr. Atkey: With that injunction, Mr. Speaker, I am willing to withhold the formal moving of this amendment. I did think it might be possible to facilitate your consideration of the admissibility of the amendment, but I will consider your injunction and withhold it.

Having given you and members of the House notice of my intention, I will paraphrase the general thrust of the amendment. It is simply to refer the second report of the Special Committee on Trends in Food Prices back to the committee with an instruction to consider the relevance and the effect of the movement of several main components of the consumer price index for the month of August, 1973, as domestic factors accounting for the trends in food prices in Canada, and related matters. I will formally put the amendment at the completion of my speech.

As a general proposition, I welcome the opportunity of participating in this debate to prod the government into doing something about rising food prices. It seems to me that if the members of the only opposition party in the House had not made it known that they would not support any motion for adjournment, this House might not have been sitting this evening and might not have had an opportunity at least to attempt to come to grips with some of the very real problems facing this country in the food sector.

As has already been mentioned by several hon. members, the committee worked very hard both prior to the presentation of the first interim report made to the House last April 2 and in the period until the second report was presented on July 25.

One consistent theme running throughout the recommendations, both the first report and in the second report, was that the Minister of Consumer and Corporate Affairs (Mr. Gray) should be doing a number of things. There were six recommendations in the first report, of which five were addressed to the Minister of Consumer and Corporate Affairs. I regret that the minister is not present in the House tonight. In the second report presented to the House on July 25 there were nine recommendations, of which five, Nos. 3 through 7, were again directed to the minister.

Taking the recommendations from the first and second reports, ten of the fifteen substantive recommendations, or two-thirds, involve supposed actions on the part of the Minister of Consumer and Corporate Affairs. In his absence, and to be fair to the minister, let me point out that he was not been completely unresponsive to the recommendations directed to him. He has provided funds for the Consumers Association of Canada pursuant to the sixth recommendation of the first report, and he has made certain noises about possible legislation requiring nutritional information on food products. To this point, that is just about all. That is about two out of ten. The minister is batting about 200, which will soon qualify him for the minor league, if he does not start producing in the House soon.

Let us look at some of the recommendations of this committee which the minister has not implemented. First I want to refer to recommendation No. 5 of the second report which relates to the proclaiming of the regulations under and legislation contained in the Consumer Packaging and Labelling Act, this Act was passed in the House of Commons on March 17, 1971. It will soon be the third anniversary of the passage of that act in the House, but it is not yet the law of the land. There have been delays. The minister has been taken to task by the Consumers Council, his own creation. They have consistently berated him. He has promised a number of hon. members that the regulations will soon be made public and then brought into force, but he has consistently failed to meet these promises.

I was interested to note that the minister in his speech just before the supper hour made a commitment. He said that the regulations will be made public for the first time on September 22 and he promised, for whatever his promises are worth, that the new act will become law by the end of the year. I am willing to wager that the minister will not make it by the third anniversary of this act, which will be March 17, 1974. That is the nature of his record.

Let us look at the second recommendation that the minister has failed to implement. I refer to recommendation No. 4 in the second report which deals with the supposed assessment and review of the 1969 to 1971 food price war which we thought until this evening was being undertaken by the Combines Investigation Branch. At least, that is what one can gather from reading the report of the Director of Investigation and Research. The minister said tonight that this assessment and review never really existed.

After allowing the committee to go on since last January thinking that the report was under way and that everything was going to be looked after—he let them go on under the impression that a full assessment and review was being carried out by the Combines Investigation Branch—he comes to the House on September 17 and says that the report is not even begun. That is a despicable performance. I would think that the minister himself, who took the trouble to quote from the director's report to verify the fact that there would not be perhaps any inclination to think, or suggestion that an assessment or review had been done, should have read the full report so that he could have understood the conclusions which virtually all the members of the Special Committee on Trends in Food Prices drew from this report. I will quote briefly from a passage of the director's report, including passages that the minister himself neglected to read in his statement this afternoon. The director said:

> The position of the unaffiliated independent has continued to decline, but those of the smaller chains and the affiliated independents have improved markedly. These structural developments are consistent with the "price war" that occurred in 1970 and 1971 even though its full effects remain to be assessed.

● (2010)

That is where the minister's quotation ended. He should have gone on to read this:

It should, however, be noted that the power of the large corporate chains increased substantially in the western provinces between 1958 and 1968. The grocery business in the rapidly developing shopping centres is largely in the hands of a few corporate chains. Also, a few chains have a disturbingly large share of the market in some cities. In addition, there remains a great deal to be learned about food distribution, especially at the wholesaling level. It is the intention of the Director of Investigation and Research to keep the situation under active review.

That is the statement that the committee relied on. Mr. Speaker, it seems to me that the minister was not keeping on top of the thing. In his absence I might ask, what are they doing over there in the Combines Investigation Branch? Are they really having a look at the food industry at all?

Then there was recommendation No. 3 in the second report. That dealt with certain types of retail agreements involving cash discounts, volume discounts, co-operative advertising, end-aisle displays, introductory free goods and case allowances. The committee asked whether these types of agreements in any way reflected adversely on retail prices, whether they helped limit competition, and whether they disadvantaged small retailers and wholesalers.

Again, for the first time committee members learned in the House today that the minister has launched an investigation, or at least that he had the Combines Investigation Branch commence an investigation in July. That investigation was purportedly launched at the same time that the committee members were considering this recommendation and were trying to come to grips with what they saw as a very real problem. I think the minister was less than honest in not revealing to the committee that this investigation was taking place.

Not only is the minister failing to co-operate with the Food Prices Review Board in their attempt to get investigative staff, but he is failing to co-operate with the special committee. Knowing full well that they were considering a matter in the committee, he chose not to reveal to them the fact that the branch over which he has responsibility was doing the sort of thing the committee members were concerned about. Again, I think that is despicable.

Recommendation No. 2 in the first report of the committee dealt with the consumer protection provisions of the proposed Competition Act. The committee asked the minister to hive off those protection provisions and enact them immediately without waiting for the other provisions dealing with monopoly power, mergers and related items.

The minister, while he has made noises about bringing in provisions relating to misleading advertising or dealing with consumer protection, has yet to give a firm indication of placing on the order paper a bill dealing with consumer protection. Indeed the government House leader was unwilling to give a commitment that we would have the misleading advertising provisions presented prior to any planned recess to come within one, two or three weeks. Again, I say it is very difficult for members of the House and members of the committee to take the minister at his word in view of the many promises that have been broken time and time again.

Those are four areas where the minister has failed to implement the recommendations that have been placed before him in good faith by members of the committee. There are several others. I mention them only in passing. The first is that he should have implemented a program to provide food for low-income Canadians. No such program has been placed before the House. We have no real legislation in force requiring nutritional information on food products. We have no action to ensure that food advertising is primarily price and quality informative, and we have no action to encourage consumers to buy private brands that offer them significant savings.

The Minister of Consumer and Corporate Affairs has now been in office for some ten months. I suppose that it is fair to give a minister in a new portfolio a chance to get a grip on his department, to get to know the nature and scope of his responsibilities and to have time to formulate an approach to a legislative program that will be responsive to the needs of Canadians. And during that time I suppose it would be unfair of opposition members to criticize him unduly for inaction when the problems may have been those of a previous minister in that portfolio.

But, Mr. Speaker, that period of grace has passed. This minister is now fair game. He has been in office for ten months. He has had two reports from the special committee. He has had the first of the Food Prices Review Board. A total of ten substantive recommendations of a committee of this House were directed to him, and his present batting average is only 200. The Consumers Association of Canada continues to criticize him for his failure to bring in any effective competition legislation. The Consumers Council of Canada continues to berate him for failing to proclaim the Consumer Packaging and Labelling Act.

It is time for this minister to consider doing something else if he is not going to produce in this portfolio. It does not bother me that the minister is lack-lustre, as he has been described, or as the leader of the NDP suggested facetiously on September 4 as "vital, invigorating and dynamic". Those are mere personality traits. Personally, I find the minister a likeable chap.

But his record is abominable. Not only has he failed to achieve any substantive reforms in his portfolio but, equally important, he has failed to project the crusading image that Canadian consumers have a right to expect in their Minister of Consumer and Corporate Affairs.

Times are tough. Maybe this minister cannot come up with all the solutions to rising prices. But he can try to give the impression that he is trying and that he cares, that he shares the concern of millions of Canadians about shocking increases in the cost of living, particularly in the price of food. I put that forward in all seriousness in this debate. Previous ministers of consumer affairs have all had that crusading image. I refer to the Minister of Finance (Mr. Turner) who was the first holder of that portfolio, to the Minister of State for Urban Affairs (Mr. Basford) and to the Minister of Manpower and Immigration (Mr. Andras). To a large extent they all carried forward that crusading image. But we do not have it now at a time when there are shocking increases in the price of food, in the consumer price index and in the over-all cost of living. At a time when we have a 3.2 per cent monthly increase in the price of food we have a minister who does

not project the sort of crusading image which I and my party believe is necessary to give the consumers of Canada the governmental service and concern to which they are entitled.

I now wish to say a brief word or two about the Food Prices Review Board. The minister, of course, did give them a hard time in obtaining staff. Last Tuesday he attempted to suggest that they were acting independently of him. He neglected to say that ten of his senior departmental officials are in fact supervising the 80 investigators who are going around the country making investigations into the reasons for food price increases.

Of course, the Prime Minister (Mr. Trudeau) last September 4, presumably with the minister's knowledge, refused to bring in legislation giving either the board or the government the power to eliminate any abuses respecting unjustified price increases. The minister is not being totally consistent in his approach to the board. On the one hand he tries to stress their independence and power; on the other hand he refuses or is unable to convince the cabinet of the neessity to give them increased powers to do something about the increases in the price of food. I think the sooner we have a clear and articulate statement on the government's position with respect to the Food Prices Review Board, and not any window-dressing in terms of a bogus expansion in the terms of reference, as announced by the Prime Minister on August 13, the better off we will all be.

Now I am going to put the motion that I referred to at the outset of my remarks. I do this in a spirit of co-operation with the members on the other side of the House and with the members to my left. In this motion we are not going to pin the terms of reference or the instruction to the committee down to any specific proposal or amendment that was discussed at an earlier time in Committee. Merely, we are saying that when the committee considered its recommendations in the second report presented to the House in July, a certain set of economic conditions existed.

● (2020)

There was a certain set of premises by which we were all proceeding. Then things changed rapidly in the month of August. It was not just the consumer price index that changed; that is merely the manifestation of the over-all problem which many of us did not realize was so serious. I am willing to bet that members from all parties might not have been willing to stick with the recommendations of the second report had that factual information as manifested in the consumer price index figures of August been available.

In that spirit of co-operation, Mr. Speaker, I propose that this report not be concurred in tonight, that it be sent back to committee and that members from all parties have an opportunity, with this new factual information, to bring forward such recommendations, such reconsiderations, rethought-out policies, rethought-out statements and summaries of facts that occur to them under these new conditions, We should not at this time, in this House, in this period of crisis, be saddled with what are really lukewarm, wishy-washy recommendations which we support for the most part but which really do not come to grips with the over-all problems.

[Mr. Atkey.]

I therefore move, seconded by the hon. member for Kent-Essex (Mr. Danforth):

That the second report of the Special Committee on Trends in Food Prices be not now concurred in but be refrerred back to the said committee with an instruction to consider the relevance and effect, if any, of the movements of the several main components of the consumer price index for Canada for August, 1973, as domestic factors accounting for the trends in food prices in Canada, and to make any revisions thereby necessitated in the said report for presentation to this House as quickly as possible.

Mr. Speaker: The hon. member for St. Paul's (Mr. Atkey) was good enough earlier in his address to indicate to the Chair the amendment which he proposed to move, and in this way he gave the Chair an opportunity to consider the procedural acceptability of his motion. I suppose the hon. member did that because he suspected there were procedural difficulties in relation to his amendment. If he did, he was correct.

I certainly do not propose to make a ruling now. I am quite willing to hear the views of hon. members who may wish, for the next hour or so, to instruct the Chair on their belief as to the rules, the precedents and citations which might be applicable to the amendment proposed by the hon. member for St. Paul's. Although I am quite prepared at the present time to make a ruling, I would not want to deprive hon. members of the pleasure of embarking upon a procedural discussion.

Mr. Atkey: Just briefly, Mr. Speaker. No doubt Your Honour is aware of a ruling made by the Deputy Speaker prior to the supper hour. Without attempting to reflect in any way upon that ruling, I think it now constitutes a precedent of the House and I might wish to make submissions on its applicability to this particular motion.

I do not have a written copy of the ruling before me, of course, but as I recall his words the Deputy Speaker seemed to indicate that because this was a motion for concurrence on the second interim report of a special committee, and because the special committee continues to exist and in fact has the option of submitting a third or fourth report, therefore the earlier amendment to consider other new matters was for that reason unacceptable to the Chair.

The procedural argument I would make in this context, Your Honour, is that this motion does not necessarily attempt to introduce a specific new topic which might well be the subject of a third report. It merely attempts to suggest that the factual basis upon which the recommendations of the second report were made have changed so drastically that at the moment, in the best interests of all hon. members of this House, the committee should reconsider its recommendations in light of that new factual evidence which has become available to members of the House and the public subsequent to the formulation and the making of the recommendations in the second report.

Mr. Caccia: May I ask a question, Your Honour?

Mr. Speaker: Is the hon. member rising to ask a question on the point of order?

Mr. Caccia: No, Mr. Speaker, a question in relation to the speech that the hon. member completed just before his point of order.

Mr. Speaker: That is perhaps a little embarrassing, but I do not want to obstruct the interesting work of the House. If the hon. member for St. Paul's is interested in allowing a question from his colleague from Toronto, I suppose the rest of us should not object.

Mr. Atkey: Mr. Speaker, I have no objection, although I hope you could get on with your ruling as soon as possible, in the interests of expediting the work of the House.

Mr. Speaker: I am prepared to move with my ruling, but I gather the hon. member for Winnipeg North Centre (Mr. Knowles) has some words of wisdom.

Mr. Knowles (Winnipeg North Centre): I will keep them down, Mr. Speaker. I can think of three reasons why I should not take the floor.

Some hon. Members: Hear, hear!

An hon. Member: Try sitting down.

Mr. Knowles (Winnipeg North Centre): That applause suggests there are four reasons, the fourth one being that the House would be just as happy if I took my seat. The first reason is that it is a bit difficult to speak on this point after Your Honour has suggested something about words of wisdom, and the second is that a few moments ago you said you did not want to deny us the pleasure of participating in debate. But the more important reason that would keep me from rising, although it has not succeeded in doing so, is that I find doing so a bit awkward.

This afternoon when we moved an amendment, the hon. member for Peace River (Mr. Baldwin) raised a point of order against it. Now, if I speak procedurally against this one, it may look like tit-for-tat. I can assure Your Honour that is not the case but, rather, I rise because I think the consistency with which this House must act operates against this amendment being allowed. If I can be pardoned for one-half sentence on substance, I do not think this is a good enough reason for not voting on the main motion tonight.

This afternoon, His Honour the Deputy Speaker ruled our amendment out of order relying mainly on a sentence in citation 220(1) which reads in part:

If the subject matter of an instruction is within the scope of the question referred to the committee then such instruction is useless and irregular.

It was argued this afternoon that the Special Committee on Trends in Food Prices is still in session and is going to meet tomorrow as well as on other occasions and needs no instruction from this House to permit it to consider matters that are within its terms of reference. I submit if that applied this afternoon, it applies tonight.

The hon. member for St. Paul's (Mr. Atkey) said that his amendment, unlike ours, does not raise a specific new topic. If I may paraphrase it, it seems to me that what he is saying is that his amendment just tells the committee to carry on with its work. Surely there is no place, especially in the light of this afternoon's ruling, for an amendment that simply tells the committee to do what it already has the right to do. That committee, when it meets on future occasions, could consider the consumer price index figures and other figures released last Thursday and make a third and a fourth report if it wishes.

I submit that there is not sufficient argument, either in substance or in terms of procedure, to tell the committee to do something it already has the power to do, and that the amendment is not in order.

Mr. Macdonald (Rosedale): Mr. Speaker, I do not rise as one thoroughly prepared to argue this question, since the mantle of acting House leader was cast on my shoulders only a few minutes ago. However, although I always have the greatest difficulty in disagreeing with the sage of the House of Commons on questions of procedural minutiae, the hon. member for Winnipeg North Centre (Mr. Knowles), I personally find that the motion put by the hon. member for St. Paul's (Mr. Atkey) opens up in substance new vistas for debate.

● (2030)

I, personally, would have been delighted to have the opportunity of hearing debate on some of these interesting questions. Unfortunately, I am not here with any elaborate procedural argument. I hope the Chair might find the amendment acceptable so that we might continue with such interesting discussions as have been opened up by the hon. member for St. Paul's (Mr. Atkey).

Mr. Speaker: Order, please. I am afraid I must disappoint the amiable Minister of Energy, Mines and Resources (Mr. Macdonald) who appears intent on supporting the procedural acceptability of the amendment moved by the hon. member for St. Paul's. I find it difficult to disagree with the ruling delivered to the House this afternoon by Mr. Deputy Speaker. I do not agree with the hon. member for St. Paul's when he says it was a precedent. I am sure there can be found many precedents in the history of our deliberations to indicate that this kind of decision, having reference to proposed amendments to reports from standing committees, has been made in the House.

The hon. member for St. Paul's first gave to the Chair notice of his proposed amendment. I heard him reading the amendment. It seems to me at first blush, at second blush and perhaps at last blush, that this is an entirely new question. The hon. member must appreciate that there were terms of reference agreed to by this House going back, I believe, to January 23. Hon. members, by amendments or suggested amendments to a committee report or to a motion to do with a committee report, cannot try to rewrite the terms of reference which were agreed to by the House.

I heard earlier during this debate, perhaps at the opening of the debate while the hon. member for St. John's East (Mr. McGrath) had the floor, the suggestion that there should be an appreciation by the House of the work done by committees and an appreciation of the reports being made by committees. I agree very much with the thoughts expressed by the hon. member for St. John's East at the time. If the House agrees, I think we can go along with this idea by accepting the recommendation which has

been made to us by a committee, considering it at least and then voting either for or against it.

If that is the will of the House, it is a decision which the House has to make. However, to come before us with an amendment such as the one proposed by the hon. member for St. Paul's, which is an entirely new question, which I respectfully suggest to him has nothing at all to do with the recommendation that has come to us from an excellent committee making an excellent report, that report having been proposed for the consideration of the House and the acceptance of the House by the hon. member for St. John's East, is not in accordance with the customs, traditions and practices of the House.

I suggest to the hon. member that what he is asking us at the present time to do is not to amend the motion before the House but to amend the decision of the House taken by this assembly on January 23. On that basis, I find the amendment cannot be accepted.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it will be obvious to the House why I rise to speak on this particular occasion. Interest and, of course, long-standing expertise prompt me to rise and talk about farm prices and particularly about the effects that various costs, not least of which is the cost of petroleum, have on costs of food in Canada. By way of introduction to this question I should like to relate my remarks to some of the exact terms of the second report of the special committee which we are considering.

I refer particularly to *Votes and Proceedings,* page 514, paragraph No. 8, where one finds a discussion of the importance of having an adequate supply of essential food, of the importance, also, of encouraging farmers to increase steadily the production of staple foodstuffs, and of the fact that we should at the same time provide a fair income for the farm family. At the same time, I would refer to paragraph 2 of the same report, which refers back to and incorporates by reference the first report of the committee which may be found at page 232 of *Votes and Proceedings.* I refer in particular to the second column on that page, that is, to the reference to costs of operation, costs of processing and costs of transportation.

I think there is little disagreement among those who have been following the interests of the farm community, both in this committee and elsewhere, with the idea that one of the most important considerations involving farm costs has been the increased cost of petroleum products, particularly gasoline and diesel oil and also, of course, heating oil. These costs are important from the standpoint of farmers' operating costs.

I am glad the hon. member for Kent-Essex (Mr. Danforth) is here this evening, because he is personally familiar with and has taken an interest in the Ontario greenhouse owners and operators group which has particularly been feeling the impact of the acceleration in petroleum prices which Canada has experienced in the past year. This group will also feel it in the season to come.

These remarks apply to the growers of fresh fruits and vegetables of various kinds, if I may be parochial, in our part of the country in Ontario. They also apply to other parts of the country where some protection is provided for the Canadian consumer in food costs by reason of the fact that the enterprise of the kind of producer I have referred to, who with a not inconsiderable investment in productive facilities provides the Canadian market during the cold weather months with fresh fruits and vegetables, provides important Canadian competition for imported foodstuffs. Without that Canadian competition the consumer would be less assured of paying a fair price at that time of year when he has no alternative source of supply in Canada.

Unfortunately, my colleague the Minister of Agriculture (Mr. Whelan) is not here this evening. He has, in somewhat forceful terms, put forward in relation to food costs and the costs of the farm community several arguments related to my portfolio and several arguments related to the fact that in the past year, in the area west of the Ottawa Valley line, the basic price of crude petroleum increased by about $1. That was an increase of about 30 per cent from the standpoint of the refiners. Of course, that cost is passed on in due course to all consumers.

The view of the Minister of Agriculture, if I may do the best I can with an argument to which he would render better justice, is that this is unfair to the farmers in the first place, in view of the additional costs and competion to which they are exposed. Of course, this additional cost eventually shows up in the farmer's balance sheet and makes more difficult, as the report says, the provision of a fair income for the farm family.

The Minister of Agriculture at the same time makes a second argument, the justice of which I must acknowledge. He feels that it is unfair, at a time when the big, multinational oil firms are in a position to increase their prices and have in fact increased prices by nearly 30 per cent in less than one calendar year—the beginning of the increase came about November, 1972—to criticize the essential food producer. As these firms are in a position to take a mark-up of not less than 30 per cent, he feels that it is essentially unfair that the producer of food should be subject to so much criticism.

I think it is fair to say, without disclosing the confidence of the cabinet room, that the viewpoint put forward by the Minister of Agriculture and by many who represent the viewpoint of consumers in other farming areas of the country and of consumers in the broader sense was that the increases in the price of gasoline and oil were increases which were, in the first instance, substantial in the hands of the companies that received them; secondly, these increases for the time being were seen to be more than adequate—

Mr. McGrath: I rise on a point of order, Mr. Speaker. I apologize for interrupting the minister in his speech. I submit to him, through you, Sir, that he must stay within the rules. I submit that his remarks concerning oil and oil prices are not relevant to the debate taking place at the present time.

Mr. Speaker: Order, please. I am not sure whether the point made by the hon. member is well taken. I had assumed the minister who has the floor now would want to relate his remarks to the substance of the motion before us. He was talking about oil. It may have been olive oil he was talking about, which would bring his remarks within

the terms of the motion. The minister will want to take that into account.

● (2040)

Mr. Macdonald (Rosedale): Mr. Speaker, that question has been occupying my mind all day. In response to the hon. member for St. John's East (Mr. McGrath), if he had talked to those in the farming community of Ontario, as I have, and to his colleague the hon. member for Kent-Essex (Mr. Danforth), he would not say to the farm community, which is responsible for providing food supplies to the Canadian market, that the cost of petroleum products is an irrelevant question. I am not talking about cooking oil. He would not say to the hon. member for Kent-Essex, nor to the Ontario greenhouse growers, that the cost of oil is an irrelevant question.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): I am sure the greenhouse growers would say to him, in language which I could not reproduce and which could probably only be matched by the Minister of Agriculture or the hon. member for St. John's East himself, that the question of petroleum costs is one of the most important from the standpoint of producers and one of the most relevant when talking about production.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): In my part of the country and in other parts it is not only a question of heating oil for winter producers of tomatoes and other vegetables; it is also a question of an industry that has become more highly mechanized over the years. Petroleum is a very important expenditure in their total current budget. Therefore, I think it is important that we reflect on the impact of this particular part of the cost package the farmer has to face. The cost package the farmer, like all producers, has to face is in due course passed on to the customers and is ultimately reflected in food prices in Canada.

It was in light of this feeling and the feeling of the Ontario farm communities that we were pleased on that day to be able to gratify the greenhouse growers, mushroom growers and others. While they would be facing difficulties this winter in signing contracts for fuel or heavy oil, due to the increase in oil costs hereto-fore the government had taken the step to put a restraint on oil prices until the end of January so that at the same time it might take action to dissociate the very substantial increase which for domestic reasons in the United States has been forcing up the price of oil in that country. We wanted to dissociate that from prices in Canada.

I might say this proposal has run into some opposition. It has, of course, run into opposition from the producers of oil, and the government of Alberta. The substance of it has not run into opposition. I have yet to hear such an argument articulated. It has certainly not been argued by the Leader of the Opposition (Mr. Stanfield) or any of his followers that 30 per cent is not enough for the oil companies.

Indeed, if one looks at the argument of the Leader of the Opposition and his followers, including the hon. member for Prince Edward-Hastings (Mr. Hees) and the hon. member for Calgary North (Mr. Woolliams)—unfortunately, neither is here this evening—one would find that instead of being prepared to deal with the substance of the question of how much is enough when it comes to oil prices, they have been arguing around the periphery. They have been arguing the minutiae of procedure, not the substance or whether the Canadian consumer is paying too much. They argue about whether enough notice was given to the United States or whether there were consultations with Alberta. In other words, they have evaded the basic question of whether the member for Calgary South (Mr. Bawden) and the Leader of the Opposition think that real oil prices should be restrained in this country, and whether we should shift from a single price system to a two-price system so that the problems of the United States market are not automatically translated into our own.

Mr. Bawden: What happened to the energy report?

Mr. Macdonald (Rosedale): The hon. member for Calgary South asks what happened to the energy report. I think I am right in saying he was not here today when I had an opportunity to deal with this question.

Mr. Speaker: Order, please. I have to take exception to the line of approach adopted by the minister. I have some qualms as to whether what he is saying is within the terms of reference of the committee which considered food prices. As I said a moment ago—I appreciate I may be saying this facetiously—what we are considering at the present time is a report on food prices. I wonder whether the debate on energy, the supply of oil from Alberta and the related problems which were debated heatedly during the question period ought to be included in the debate we are having at the present time. This point was made by the hon. member for St. John's East (Mr. McGrath) a moment ago. I feel he had a good point.

Mr. Macdonald (Rosedale): Mr. Speaker, I made a very careful study of the parliamentary precedents in this regard. I focused in particular on a very interesting debate in the fall of 1962 when the then hon. member for Stormont-Dundas advanced some very cogent arguments with regard to harbours, with particular relation to Cornwall harbour. I have been trying to emulate—

Mr. Speaker: Order, please. My recollection is that the hon. member was ruled out of order and sat down.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Speaker, I have been reflecting on this question throughout the day. While the fine, red thread of relevance seems very clear to me, I thought it might not be so obvious to other members of the House. On another occasion, and perhaps outside the House, I will have an opportunity to talk about these questions, particularly the consultations which took place with the United States State Department.

I am glad to see the hon. member for Calgary North is here now. I have reason to believe I will have an early opportunity to talk about the discussions with the government of Alberta. Therefore, I will direct myself to the question of farm prices and the cost to farmers. I hope we

can have in this House the verbal and articulate support of this measure of the hon. member for Kent-Essex and other rural members from the province of Ontario.

Mr. Stanfield: Tell us what it is.

Mr. Macdonald (Rosedale): The measure is to restrain the prices of gasoline, diesel oil and heating fuel, which the Leader of the Opposition opposes. He would just as soon have higher prices for these to satisfy his Alberta members. However, I hope the Ontario members will support those of us on this side of the House who would like to keep the prices down for the consumer, and particularly the farmer.

Some hon. Members: Hear, hear!

● (2050)

[*Translation*]

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

Mr. Speaker: Order. I apologize to the hon. member for Vancouver Kingsway (Mrs. MacInnis), but the hon. member for Témiscamingue (Mr. Caouette) is rising on a point of order.

Mr. Caouette (Témiscamingue): Mr. Speaker, I just want to say that, in my view, the minister does not know carrots from a gallon of gas.

[*English*]

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, the hon. member for St. Paul's (Mr. Atkey) went through the list of recommendations of the food prices committee on which the government has taken very little action. He did a very thorough job of going over those recommendations. But it was the hon. member for St. John's East (Mr. McGrath), the member who introduced the resolution, who pointed out, quite correctly, that the two most important recommendations of the food prices committee to date were the ones having to do with the setting up of the Food Prices Review Board and with urging the government to take measures to put food on the tables of people with low incomes.

Both those measures were introduced in the committee by members of this party, and the members of the other parties were very lukewarm about them, particularly the one having to do with putting food on the tables of those of low income. Members of the Conservative party in particular were very much opposed and very vocal in their opposition to setting up the Food Prices Review Board. The reason was that they were obsessed with the single idea that the only way to tackle the question of food along with the rise in the cost of living was to set up a system similar to that in the United States, a stop-and-go policy of freeze, price rise, further freeze, another price rise, and so on. It was a sort of leap the dips approach which would leave the consumer dipping more than he would be leaping.

An hon. Member: Don't forget our friends opposite.

Mrs. MacInnis (Vancouver Kingsway): The Liberals may have been doing something like that too, but the Tories are certainly noteworthy for the fact that since the Food Prices Review Board was set up over their loud protests they are now attacking it for not doing the things that they did not want it to do in the first place or felt it should not do. The Conservatives had this fixed idea, so it is somewhat entertaining to see them now lashing themselves into a fury at the government for failing to use the Food Prices Review Board to bring down food prices.

Opposition to giving the board the powers it must have is equally visible on the part of the government. It was very visible this afternoon in the attitude of the Minister of Consumer and Corporate Affairs (Mr. Gray) when he spoke in this debate. I am glad to see him in his seat once more. The minister was very firm in warning that if we were going to give an independent board the power that some of us contend it must have to be effective—that is, power to cancel or roll back price increases that are unjustified—we would be letting ourselves in for serious trouble.

I should like to ask the Minister of Consumer and Corporate Affairs, has he forgotten about the powers of the Canadian Transport Commission to deal with such things as wages and whether people get stations in their area, and so on? Has he forgotten that the CRTC has very wide powers involving all kinds of things in the field of communications? Has he forgotten the powers that the National Energy Board has been clothed with? All of these are independent boards.

Mr. Gray: Are not members complaining about them every day?

Mrs. MacInnis (Vancouver Kingsway): Members may be complaining, but the fact is that the government has established the boards and kept them going. Consequently, the minister is in a very peculiar position if he now says that it is impossible to have a similar board to protect consumers in the matter of food and food costs. As a matter of fact, I can only come to the conclusion that he either considers it is not important to protect people in this way or that he simply is not interested in investigating the matter.

As a matter of fact, when the minister spoke this afternoon he slipped as nimbly as did the Minister of Finance (Mr. Turner) behind the workings of the international marketplace as an excuse for leaving people to sink in the morass of inflation, taking the attitude that nothing much can be done except to wait and see and to let nature take its course. Meanwhile, in order to make sure that nothing is really being done, we have his steady resistance to giving the Food Prices Review Board the powers it must have if it is to do anything.

The minister must know—after all, he has a good head when he is not obsessed with the idea that he must not use it—that going out and snooping around stores to see that prices are as advertised is a useless exercise. Shoppers do that kind of thing themselves and they complain bitterly when they find discrepancies between the advertised price and the actual price of articles on the shelves. I am afraid that the chairman of the Food Prices Review Board would hardly qualify as a candidate for the FBI when she permits the army of snoopers to set out, everybody knowing

they are going to snoop long before they get on the trail. That sort of thing will not work.

I picked up a very interesting article this evening in *Farm and Country* for Tuesday, September 18, by Gordon Hill, president of the Ontario Federation of Agriculture, in which he refers to a number of naïveties on the part of the Food Prices Review Board. He says:

> When one of the chains has been charged in a court because of pricing shenanigans, it is hard to find the board's naïveté palatable.

He was referring to stickers on cans. He went on:

> It is just as naïve to wait for voluntary restraint in other sectors of the market place. When banks are licensed for usury, their profits cannot help but skyrocket. Our economy today is ready-made for opportunists. Food processors have reported profits on investments up 50 per cent to 80 per cent over last year. Commodity futures trading has yielded fantastic profits.

There are people who do know what is happening. We in this party absolutely refuse, and will continue to refuse, to accept the idea that nothing can be done about food prices. We refuse to accept the idea that because of the world market it is absolutely impossible to feed Canadians adequately with good food at a price they can afford. If we were talking about exotic foods that have to be imported, perhaps it would be different; but we are not. We have everything in Canada needed to provide a healthfully nutritious diet. We have the grains needed for bread, pasta, and so on. We have dairy foods such as milk and cheese. We have poultry products, eggs, meat, fish, vegetables and fruits of many kinds. It is absurd and untenable for this government or anybody else to say that we cannot feed our people properly. The people on the street will not accept this. Women in the home will not accept it.

If the government keeps the Minister of Consumer and Corporate Affairs looking like a dignified and indignant pharoah unwilling to take steps to free the people from this tyranny, then he is going to get the plagues and those plagues will come upon all of us—increased misery, insecurity and malnutrition. One of these days he is going to have armies of women besieging his office and other places on the Hill unable to take any more of this business of having the wool pulled over their eyes.

It is absurd to believe we cannot feed our people. There must be something taking place between the producer and the consumer, something that is taking increasingly heavy tolls. If the marketplace cannot provide the kind of diet our people need and can afford, changes in the marketplace must be made.

● (2100)

In the time I have available I intend to deal with one protein food. Nothing is more necessary for a good diet than protein. In underdeveloped countries, dietary malnutrition diseases develop on a huge scale because of the lack of protein. Even in our big cities in Canada there is evidence of malnutrition among newborn children and older children as a result of the lack of protein.

In British Columbia we have always had an abundance of fish and until very recently it was sold at a reasonable price. What has happened in this regard? Le me give you an example of what has happened to the price of sockeye salmon in British Columbia. Up until the beginning of 1972, a 7¾ ounce can of salmon—and I do not know why they do not make it eight ounces—sold for 69 cents. In early 1973, the same sized can sold for 89 cents, and in the summer of this year the cost went up to $1.15. On September 15 this year, the Vancouver *Sun* ran an article that suggested that callers were complaining that the same 7¾ ounce can of salmon was being sold for $1.31.

Whole pink salmon, which is one of the lower grades, was selling in British Columbia supermarkets this summer for $2.49 a pound. Some people will say that the villains are those who demand increased wages. The fisermen's contract for 1973 in respect of sockeye salmon, which is about the second best grade, calls for 50 cents a pound this year, plus some slight production bonuses, and 52 cents a pound for next year. The contract in respect of cohoe and steelhead calls for 40 cents a pound this year and 42 cents a pound next year, and for pinks it is 20 cents a pound this year and 22 cents a pound next year.

So the pink salmon for which the consumer had to pay $2.49 a pound this summer in Vancouver netted the fisherman 20 cents a pound when he caught it. There is a $2.29 spread between what the fisherman got and what the consumer paid in the store. Who gets that $2.29? Let me point out that, as an additional factor, the labour force in the fishing industry has been reduced by nearly 50 per cent in the last five to ten years because of automation, with the cost in respect of wages consequently going down significantly.

What is the reason for this huge spread? I suggest that it arises because two companies control 85 per cent to 90 per cent of the canned salmon in all of British Columbia and Alaska. Those two companies are B.C. Packers Limited and Canadian Fishing. As far as I can learn anything about Canadian Fishing, eight shares of 15,000 are owned by eight Canadian employees of Canadian Fishing, some 14,900 are owned by Americans, and no one I have been able to contact knows who owns the other three. You might call this a dominant position if you do not like to call it monopoly control, but that is what I call it. I think this more than any other single reason is why we have these prices in respect of salmon today.

Let me refer to some of the reasons we have been given for these prices. On August 4 the Vancouver *Province* ran an interview with the president of B.C. Packers, Mr. Richard Nelson, to this effect:

> Prices paid here by consumers of B.C. sockeye salmon will rise sharply in the next several weeks due to an unprecedented strong international demand for the product.
>
> The upward price spiral was blamed Friday by spokesmen for both government and industry on the almost total failure of the Bristol Bay runs to Alaska, largest sockeye fishery in the world.

British Columbia supplies about 20 per cent of that international market, but this year it will supply about 50 per cent because of that Alaska failure. Most of the pressure is coming from Japan and Great Britain. This is the interesting thing about the article:

> Nelson said the retail price here will not be known until sockeye runs have ended. His firm withdrew its price offer to local wholesalers a week ago until the market settled down.

I suggest that means all the fish they can get hold of will be sold to Japan and Britain at the highest prices they can get, and everything that is held back here will be held

back until something like a comparable price can be charged Canadian consumers. This means, in turn, that the fish which used to be regarded as a substitute for meat by the poor people of British Columbia has spiralled in cost away out of sight—and fish is about our best protein source in British Columbia, or has been until now. An interesting thing is that around August 16 a small number of 7¾ ounce cans of salmon was released to the wholesalers at a price of $50 for 24 pounds, which comes to $2.08 a pound. It is also stated in this article.

A top official in the federal fisheries service here said the government is powerless to stop the export of fish at the expense of the domestic market.

I should like to ask, if we can have a two-price system for oil, domestic and foreign, why can we not have a two-price system as well for British Columbia salmon? If we can have export controls for beef and pork from the Prairies, why can we not have a two-price system for salmon in British Columbia? These fish are caught in British Columbia waters, and we had a record run this year. What do our federal government officials mean when they say the federal government is powerless to act, when they know this is going on?

An hon. Member: There is something fishy.

Mrs. MacInnis (Vancouver Kingsway): You bet there is something fishy when this federal government allows a statement of that kind to be made. These two companies control between 85 per cent and 90 per cent of canned salmon in British Columbia and Alaska, and therefore are in a position to determine the price. If export prices are higher, they will sell to Japan and Britain. As a result, there will be a shortage in Canada and the prices will be at such a level that only the wealthy can buy salmon in Canada.

There was an interesting clipping in the *Globe and Mail* of August 10 which stated that for the 24-week period ending June 17 this year—and that was before the big run came in—sales of salmon by B.C. Packers were up by 25 per cent and its profits were up 124 per cent. I say that this is gouging the consumer and this sort of thing should be stopped.

I have only a couple of minutes left so I shall suggest what should be done. First, the sooner we get rid of these snoopers and put the money being used for this purpose by the Prices Review Board to something useful, the better. Secondly, I think we must have a Prices Review Board with some teeth. There is no advantage in the Minister of Consumer and Corporate Affairs (Mr. Gray) and the government thinking they can pull the wool over the eyes of the consumer any longer. People are getting wise and know that a token board is not much good. Thirdly, the Prices Review Board must open the books of these companies and make known to the public what these companies are doing and who controls them. Fourthly, I think the government should put export controls on B.C. salmon in order to keep enough within Canada for our people at a price they can afford to pay.

My fifth point is that we must impose an excess profits tax in respect of these companies which are increasing their profits by 124 per cent while increasing their sales by 25 per cent. Lastly, I think we must get down to a study of who controls the fishing companies. When we do, I think we will find the great Weston empire underlying at least one of the two dominant fishing companies on the west coast.

• (2110)

As my leader said when he spoke last week regarding the realm of corporate profits, "This is an area that only New Democrats are willing to attack, but it is a crucial area". We must get down to the attack in the area of controlling our means of life and the many items which make up the nutritious diet needed by the people of this country. The sooner we get around to it, the sooner will the people of this country have faith in the power of the government to do something about the soaring prices which are inflicted on them today unreasonably and with no justification.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I am very pleased to take part in this debate because, first of all, I have been a member of the Special Committee on Trends in Food Prices. Although I have not attended all meetings of the committee, I have been present at most of the hearings. First of all I should like to make a few general comments about the hearings I have been privileged to attend as a member. I must say that during the early meetings the collective feeling of members seemed to be that it would perhaps be only a matter of time before the villain or the rip-off segment of the food industry would be exposed as we proceeded from one witness to another and that, hopefully, the next witness would be the culprit or the fall guy who, because of illegal or excessive procedures and profits, was perhaps responsible for all our record high food costs.

Of course, it was not that easy. The committee brought forth its first report with its principal recommendation being that of a prices review board. Then just prior to the second report of the committee which we are debating tonight the thinking and direction seemed to change significantly, with most of the committee members realizing that there was no single scapegoat to be found and crucified in our deliberations and that, just maybe, North American and world demand—supply patterns had a great deal to do with the Canadian cost of living and especially food cost issues.

A good number of caustic and satirical comments have been made by members of the press, members of parliament and Canadians as a whole about the usefulness of this special committee. I think a good many of these no doubt were justified, especially in the early stages of our hearings. Now, almost in retrospect, as we debate the second report of the committee I suggest that one of the most valuable and perhaps unexpected results of all the committee's deliberations is a much better total understanding of our entire food industry, hopefully, by all Canadians. I hope we appreciate that.

Tonight I wish to address myself particularly to recommendations Nos. 8 and 9 as these two deal very specifically with the long-range agricultural production side of this question. I think it is important that I read these recommendations:

8. Because an adequate supply of essential food is vital, the committee recommends that the federal government consider the

advisability of immediately implementing policies to encourage farmers to increase steadily the production of staple foodstuffs on a basis that will provide a fair income for the farm family and basic food at a reasonable price for the consumer.

9. The committee recommends that the federal government consider the advisability of protecting the Canadian market from the pressures of world food requirements by ensuring that domestic prices reflect domestic demand and supply.

These two recommendations to which I wish to address myself cannot help being interconnected and should be considered together in this debate. During all the food cost discussions, both in our committee and all over Canada, I suggest that no single food item received more attention than meat, especially beef. Because of the important position beef holds in any food cost debate, I wish to use this commodity to illustrate the tremendous need for the implementation of these two recommendations.

Up until about a month ago there was ample justification for saying that one of the major reasons for the present pressure for beef in North America is the fact that beef producers have so successfully produced high quality, cheap beef that demand has outstripped supply, and also because this demand pattern is now becoming evident around the world. Let us look a little more closely at this demand-supply pattern between Canada and the United States.

First, whether we like it or not, we must remember that as a nation Canada is a net importer of beef and a net exporter of feeder cattle. In the period January 1 to September 8 of this year Canada exported 111,000 feeder cattle to the United States and 12,600 live fat cattle. In the same period of 1972 we exported only 4,460 feeder cattle and 6,000 head of fat cattle. Our beef and veal exports, that is, the carcass exports to the United States were about 44 million pounds for the same period in both years, so there is no change there.

On the import side, over the same period, we imported 33,700 live cattle in 1973 compared to 32,300 last year, which is an increase of almost 4 per cent. But here is the significant part. Over 50 per cent of these current imports have taken place in the past three weeks. That is, 50 per cent of the cattle coming live to be slaughtered here have come in during the past three weeks. In addition, Canada imported about 105 million pounds of beef from all countries in this same current period compared to 111 million pounds in 1972.

The total trade balance here is definitely not in our favour. Canadian beef cattle producers have recently seen their market prices tumble drastically, with more of the same likely to come. These same cattlemen presently are very concerned about the results of two recent federal government actions which definitely do not provide the long-range incentives called for in recommendations Nos. 8 and 9. The first of these is the manner in which the government imposed the export beef controls. I should like to suggest that most thinking cattlemen did not seriously object to the actual need for these controls, at least for a very short period of time, but they did object very strenuously to the way in which they were imposed on a Monday afternoon back on August 13, just hours before the heaviest run of slaughter cattle in the entire week.

I am sure the Minister of Agriculture (Mr. Whelan) knows that on Tuesdays there is the biggest run of the week in Canada. As late as Monday a good many had started on the trip to market. Also, it was at a time when our Canadian weekly kill was at a near record level of 65,000 head. Surely these controls could have been announced on a Friday afternoon, to allow a reasonable adjustment period for cattle shippers. In addition, an unreasonable delay in announcing the details of the controls caused untold confusion for both producers and packers. Those details did not catch up to them for several days afterward. I suggest this is not the way to create genuine incentives to produce more foodstuffs.

The second federal action is the very current situation involving our so-called one-way free trade which permits duty-free imports as opposed to export tariffs that are presently charged by the United States. Last week 8,000 head of live fat cattle came into Canada, nearly all through the Sarnia-Port Huron entrance, at a time when rail shipments of beef from western Canada were just starting to arrive after the rail strike. What was the result? A downward plunge of fat cattle markets, with more of the same to come. Some southern Ontario cattlemen are so concerned that they might very easily set up some form of demonstrations in opposition to these U.S. imports. Surely the government should immediately reimpose the import tariffs on beef to help restore some confidence in our Canadian cattle market.

• (2120)

Some hon. Members: Hear, hear!

Mr. Hargrave: There is no question that the confidence of Canadian cattlemen in their own market has indeed been shaken over the last four weeks.

To develop these recommendations properly, our consuming public must understand thoroughly just how beef prices are determined. First of all, they are not arrived at by adding up all our costs such as land, taxes, feed, labour, interest, etc., then adding a percentage for profit, then adjusting somewhat for competition and finally coming up with today's beef prices. It is not that easy or simple. Today, $2 steaks or ground beef at $1.25 is the result of events that took place two years and three months ago when the cattle producer made the decision to breed the beef you are eating today. You should add another year to that interval to cover additional planning time which, I can assure you, is definitely necessary. What I am saying is that three to four years ago cattle producers decided, entirely on their own, not to increase their breeding herds sufficiently to produce enough for today's supplies. They did so because there was not enough money in prospect, so they diverted their attention to other agricultural production.

Our national objective in beef cattle must surely be at least to be self-sufficient in Canada today. Why not develop the confidence and incentives to keep those 111,000 head of feeders at home, finish them out here and export the surplus if any? One way of achieving this objective is to develop as quickly as possible a new national feed grain policy. It is important that this new policy clearly recognize the total dimensions of our domestic feed grain industry. This industry represents some 800 million bushels, or 80 per cent of our total feed grain production which, I suggest, is considerably larger than our wheat production.

The new policy must also recognize that our livestock and poultry feeders are the customers for this feed grain and as such they have to be considered in the feed grain price determination.

The proper implementation of these two recommendations could very well determine whether our major Canadian agricultural components continue as a private enterprise or become a public utility. The only fundamental answer to unduly high food costs is increased agricultural production which should continue to be more efficient and more competitive.

Some hon. Members: Hear, hear!

Mr. Hargrave: Finally, we should remember, and remember well, the words of the United States Secretary of Agriculture, Mr. Butz, who said on his recent trip to Canada: "You can't get more by paying less".

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I begin by commending the hon. member who has just spoken. I think his contribution to this debate has been an excellent one. Much has been said about the price of meat at all levels up to the retail level, yet there has been so little information and so little understanding of what goes into the price of this important product. I think the hon. member has made a very valuable contribution to the debate this evening.

Some hon. Members: Hear, hear!

Mr. Penner: The hon. member for St. John's East (Mr. McGrath) who opened the debate today wondered out loud why it was that two other members of the House saw fit to move, as he had done, concurrence in the second report of the Special Committee on Trends in Food Prices. I certainly cannot speak for the hon. member for Toronto-Lakeshore (Mr. Grier), but my motion was placed on the order paper because I felt that the hon. member for St. John's East would never get around to moving his motion. It had been there since July 25.

However, I am rather puzzled by the fact that the hon. member for St. John's East commended this report and praised it, in fact moved its concurrence, and then another member of his party, the hon. member for St. Paul's (Mr. Atkey) said it was totally inadequate; he did not wish to see it concurred in but, rather, sent back to the committee.

Mr. Knowles (Winnipeg North Centre): This is what you call Progressive Conservatism.

Mr. Penner: This contradiction is rather puzzling in the debate today. But I think this debate, which is one in a series we have had on inflation, is important because once again it helps us to understand just how immensely complex is the problem of inflation which we are facing. One of the remarkable aspects of any inflationary economy is that it is a love-hate relationship. Everyone loves the inflation which benefits them, but hates the inflation of someone else for which they have to pay a little more.

The hon. member for St. John's East—who, by the way, is a very able and valuable member of the Special Committee on Trends in Food Prices—in moving this motion today gave us one of his usual, very vigorous speeches. He struck out wildly in a great many directions, but I felt that all his punches really lacked substance. He did not even bother to give us the usual litany from the other side of the House about freezes and price controls which we have come to expect as part of the daily ritual. He really had nothing to offer today, on behalf of his party, on how to cope effectively with the problem of inflation. I thought, also, that his criticisms of the government's actions were really far from convincing. However, he did his best and that is all that can be expected of any of us.

There is no doubt that all members of the House share the serious concern of those whom we represent about the recent dramatic increases in food prices. Nobody on any side of the House can say that they have a monopoly on the concern for this problem. More recent indications of a reversal in the trend in food prices are certainly most welcome. What price reductions have taken place in recent weeks, of course, do not give any of us cause to breathe a little easier, but there is certainly hope.

I have here a report by the Canadian Press which indicates that a cross-Canada survey taken last Thursday by CP and covering 17 common food items shows a decline in most major cities from prices last Thursday compared with the end of August. It was conducted where possible in large supermarkets, and prices on September 13 were compared with those on August 28 for the same 17 items. So I say there is some cause for hope, but not enough at this moment for any of us actually to begin to breathe easily.

● (2130)

In particular—the hon. member for St. John's East brought this out in his speech—we are all disturbed about the impact of rising food prices on families with fixed and limited incomes. They, of course, are the ones for whom we must have the most concern. It was for that reason that the government sought the speedy approval of parliament to increase family allowances and old age pensions. There will be more of those increases in 1974. As well, Mr. Speaker, subsidies have been announced which are designed to hold the line on consumer prices for such staple items as milk and bread.

The Food Prices Review Board established by this parliament is on the alert for any undue profiteering which may be taking place at the retail level, and consumers are asked to co-operate with the board by reporting to it examples of what they consider to be price gouging. Some hon. members have attacked and ridiculed the board, but despite that many members of the special committee were satisfied, following a recent meeting with members of the board, that it is taking its mandate seriously. It is endeavouring to pinpoint problems and to make suitable recommendations to the government based on substantial, valid findings and evidence.

Some members of the special committee have advocated that the Food Prices Review Board should have its powers expanded and enlarged and that it ought to be empowered to roll back prices on its own authority. I continue to oppose that proposal because in my view only the government itself ought to have and to use such powers. It is the government which ought to take full responsibility for the consequences that would result from such action. I am

surprised that the NDP would urge such a proposal because we hear so frequently from that party their condemnation of independent boards that have control over prices.

When the Canadian Transport Commission recommended a price increase for Bell Canada it was the NDP that called for the cabinet to take action. The point here is not the Bell Canada increase but, rather, who should take the action. I believe it is the government that ought to take full responsibility under the glare of parliament, under the daily criticism and questioning of parliament. It should have the responsibility for taking such very strong action as rolling back somebody's prices and possibly not rolling back somebody else's. Of course, the Prices Review Board is quite free to recommend to the government that certain prices be decreased. But it is the government of Canada, being aware of its constitutional position, which must make the ultimate decision. To delegate such sweeping powers to a board of inquiry could be very devastating. It could cause some serious dislocations in our economy, particularly in relation to the supply of necessary foodstuffs.

Concern over inflation has led members of the Special Committee on Trends in Food Prices to consider on more than one occasion the advisability of resorting to controls. The committee has not shunned its responsibility for looking at this particular course of action. I think the members have done so in a very serious, responsible way, but the committee in its two reports to date has made no such recommendation to the government, nor has the Food Prices Review Board up to this time. If the board ever does, Mr. Speaker, the committee would certainly want to examine its reasoning with very close scrutiny.

So far, however, most of the sound evidence appears to be in opposition to the imposition of controls. For example, a recent study prepared for the board by Professor David Smith, who looked at the situation in Great Britain, indicates that a temporary resort to controls can make more appropriate monetary demand management even more difficult to attain.

Mr. Atkey: He said that in 1966, too.

Mr. Penner: That is fine. The truth does not alter from year to year. Controls, it is argued by this professor, can cause more severe inflationary problems in the future. Price freezes or other controls at best only suppress prices for a short time. Once a freeze is ended, prices explode. They did in the United States. Indeed, the success claimed for the initial control program in the U.S.A. really was the result of much earlier restrictive monetary policy and the slack in the economy.

Attempts by the U.S. government to control prices have demonstrated quite clearly not only the ineffectiveness of such controls, but, indeed, their perverse effects. Nevertheless, some members recognize that there are certain political attractions in a temporary resort to controls. It is most appealing in certain ways because it gives the appearance of doing something that is bold and effective. I emphasize that it gives the appearance of doing that, but a great many serious-minded observers and commentators, including leading economists, continue to cast doubts on this approach to fighting inflation.

Recently, the president of the French Employers Organization pointed out that since 1945 France has issued 25,931 price control decrees. Despite that huge outflow of bureaucratic decrees, a 10-ounce jar of instant coffee in Paris costs $3.75, and a pound of sirloin $2.95. Price controls represent decisions by a few men given authority to press buttons which they think will give the desired results, that is, reduce inflation and stabilize prices. The trouble is that humans, no matter how clever or well intentioned, never know for certain what will happen when they push the buttons.

Did price controllers elsewhere know that putting controls on prices at one level but not another would make farmers destroy eggs, kill baby chicks and laying hens, and sell off their sows because under the control system it cost more to produce chickens, eggs and hogs than they could get when they sold them? Did price controllers know that many meat packers would have to close down? In effect, the controls reduced supplies of these products. This process tended to force prices up, not down.

In contrast to that, the Government of Canada takes the position, and the hon. member for Medicine Hat (Mr. Hargrave) reinforces this view, that the measures we must take are those designed to conserve and increase the supply of food while at the same time protecting farm incomes. Certainly it is a finely balanced course that the government is following, but it is a serious and a responsible approach.

Falling prices or set prices can discourage production. Marina von N. Whitman of the U.S. Council of Economic Advisers has warned as follows, and she ought to know a great deal about this subject:

> Direct controls on food are far from the whole answer, and in the long run they are not the answer at all. Controls which hold prices below the levels which market conditions would otherwise generate for any sustained length of time are bound to create shortages, and thus the necessity for some means of rationing to substitute for the rationing function normally performed by prices in a free-market economy such as ours.

When a price control freezes the price on a product which is in short supply and which is costly to produce, naturally the producers will be reluctant to sell. One writer on economic matters said recently:

> The supply side of the supply-demand equation (based on free prices) has been neglected too long. Incentives to increase productivity should be developed, tariffs should be lowered, taxes, especially sales taxes, should be cut.

● (2140)

On the sidelines, Mr. Speaker, when these controls are having their effects or their supposed effects there are always those who are willing to pay a little more to get what they want. These people will make a direct deal with the producer at a new, higher price despite the fact that they are breaking the law. The more affluent people in a society where there are controls will drain off supplies while the poorer people will go without. The more ridiculous the level of the price from the standpoint of the producer, the less he will produce and the less will appear in the recognized marketplace to be consumed by the poorer people. Controls have never failed to produce black markets which favour the rich and penalize the poor.

An hon. Member: Oh, come.

Mr. Penner: Show me a situation where that has not been the case.

Mr. Woolliams: What about the war?

Mr. Penner: What about it? Look at the history of the Second World War and find out if it did not exist. It is for this reason that the Special Committee on Trends in Food Prices, in recommendation No. 8, said that ways should be found to increase supplies, and in recommendation No. 9 talked about protecting domestic supplies. It was with this in mind that the government on a temporary basis, through order in council, provided for export licensing for cattle, hogs and the products thereof. The order was introduced to prevent a shortage caused by an unusual drain on Canadian supplies—created extensively by the U.S. price control system—that which the Minister of Agriculture (Mr. Whelan) last weekend called "a stupid law".

Mr. Speaker, I enthusiastically welcome the debate we are having today on the report of the committee because it gives all hon. members an excellent opportunity to state as fully and as clearly as they can what steps they would propose and argue for to reduce food prices, while at the same time not having us live cheaply off the hard labour of our farmers or creating a shortage of supply and black market prices whereby the rich continue to enjoy a bountiful table, regardless of cost, while the poor can barely afford a subsistence diet.

Some hon. members in this and other debates have argued that we cannot consider rising food prices apart from the problem of inflation in general. That is only half true. The Minister of Justice (Mr. Lang) in a debate a week ago reminded us of a fact that well deserves repeating in this debate. On September 10, as reported at page 6391 of *Hansard*, he said:

> —that a good portion of the rise in the price of food should not really be treated as an ordinary price rise similar to that which has taken place in every other sector over a period of time, or indeed that is taking place even now. A good portion of the rise in food prices is an overdue adjustment of income to farmers in Canada who produce grain and meat for market.
>
> It is of particular importance that these adjustments have taken place. Adjustments of a similar magnitude compared with other price rises need not and will not take place in the future, but the adjustment that has taken place to date is overdue. I say that because it is important that other sectors in this country should not believe that they somehow have to try to catch up to the over-all price increases that are taking place in this country, including the increase in the price of food. This would be an attempt simply to take back for the more protected—those on higher incomes—all the gain that has been made by giving farmers a better income return, as well indeed as other gains being made under this Liberal government by the low income earners in this country.

Mr. Deputy Speaker: Order, please. Before I recognize the next speaker I think the House would want to ensure that there is less interruption of members who are making well researched and interesting contributions to the debate, even though I realize that the results from Jarry Park, Montreal, are heartwarming indeed. The hon. member for Kent-Essex (Mr. Danforth).

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, after many months, in fact years of outcry by the consumers of this country against high living costs we are still faced with a government that seems afraid to tackle the basic causes. This cry that we hear today also comes from the agricultural producers who want this government to give them an opportunity to create more supplies of Canadian goods in order that they can fight on an equal footing to preserve prices to the Canadian consumer.

As far back as last February this party advocated a freeze on food prices, costs, incomes and wages in order that we might have a breathing period in which to take stock of what was going to happen in the country. As long ago as February it became evident that there would be a tremendous increase in prices in the ensuing months and this party advocated that steps be taken to find out if something could be done on behalf of the consumers.

Mr. Speaker, when we talk of consumers, there are no greater consumers in this country than those who produce the food. They, too, are consumers.

Some hon. Members: Hear, hear!

Mr. Danforth: They are concerned about their input costs as consumers. This is one of the basic problems. If prices had been frozen in February, we would have saved the consumers of this country literally hundreds of millions of dollars and there would not have been this excess profit-taking that our friends in the NDP are talking about—the big rip-offs. But because the freeze did not take place at that time, because we did not have an opportunity to have a breathing period in order that we could sit down with labour and industry, the leaders of agriculture and all the people concerned with the welfare of this country to work out a program, we are in this mess today.

The government of this country delighted and laughed at the fact that we advocated controls. They laugh and express glee when they point to what they call the chaotic situation in the United States. But, Mr. Speaker, today the consumer in the United States has a better shake than the consumer in Canada.

Some hon. Members: Hear, hear!

Mr. Danforth: In the limited time that is left to me I would like to talk about controls. First I should like to talk about the NDP and their controls. They laughed at our controls, but they are advocating price controls—only they do not call them price controls. They say, "Set up a committee to roll back prices". That is price control. But the problem is that they would roll back prices at the retail level and the primary producer is the man who pays and pays and pays.

Some hon. Members: Hear, hear!

Mr. Danforth: They talk about rolling back prices, Mr. Speaker. When you roll back prices at the retail level, you let the input cost of the primary producer go to such a degree that he stops producing. This government that laughs at us for advocating price controls is instigating a worse kind of controls—selective controls. These selective controls have the same basic weakness as the NDP controls because they do not control input costs.

When you freeze the price of milk to the consumer for 12 months, as they have done, the primary producer cannot recoup the tremendous input that he is faced with. When

you raise the price of wheat to the flour miller so that bread is cheaper, that is not at the cost of the government or the taxpayer; it is at the cost of western producers. When you try to control the price of meat by taking off the 3 per cent tariff on American beef coming into the country, the person who is going to pay, pay, pay is the primary producer, not the consumer.

This government blithely says that it is going to create an atmosphere which will encourage production. It is not enough for the Minister of Agriculture (Mr. Whellan) to get up and glibly repeat, "I am for the farmer." That is conversation. Let him influence this government to implement policies that will help the primary producer, then I will believe that he is for the farmer.

● (2150)

Only one thing will bring about increased production of food in this country, and that is profit to the primary producer. If you want to impose selective controls on farm produce available to the consumer, as you have done with bread and milk and tried to do with beef, you must control input costs. Under the present government, input costs are rising at the tremendous rate of 13 per cent per year. Yes, 13 per cent, Mr. Speaker. Farmers' incomes, despite what they are receiving today, are not rising to that degree.

What the consumer who is concerned about the high cost of living and the high cost of food today does not know is that the young fellow who is standing at the edge of the counter where one pays for groceries and is putting parcels into bags for customers, who has no responsibility, is working eight hours a day and is probably taking home more pay today than 40 per cent of the primary producers in agriculture despite all their investment and labour. That is the terrible situation we face today. This government says what it wants to do to encourage the production of food in this country. Let it introduce legislation that will give the farmer the opportunity to produce. After all, the farmer must pay the increased interest rates this government has allowed; he must pay the increased building costs this government has allowed. Thus, the farmer must pay increased costs for fertilizer, farm machinery, cattle, seed, chemicals and all manner of items. It is the primary producer who must pay these costs, and under these circumstances he cannot survive. It is time the government found this out.

It is not good enough for this government to say blithely, "We accept the recommendation that says there ought to be a scheme in this country to encourage the production of food." You cannot say that in one breath and then impose controls at the retail level on farm produce. It is ridiculous for the government to criticize us for advocating price controls when it is initiating the same thing on a selective basis and hoping the people of Canada do not realize what it is doing.

I know the NDP are as serious as anyone in this House about trying to control the cost of living. They seem to place all their confidence on the Prices Review Board. I submit it will not solve the problem of high food costs. When we talk about rolling back the prices of food items in this country, do they not realize there are over 14,000 items of food? How can one police any roll-back, let alone enforce it? They base their whole case in the fight against inflation on the high cost of advertising, on the taking of excess profits in the handling of food and in the gouging of the public. Mr. Speaker, these could be contributing factors but they are minor factors in relation to the basic problems that are causing inflated food prices in Canada.

The problem we face in parliament is this: this government is desperately trying patch-up policies and is going from panic to panic as consumers point them out, instead of taking the necessary monetary and fiscal steps and adopting the necessary policies in order to control and fight inflation. When government members stand in their place and say the only reason food prices are so high is that we cannot control them, that is not good enough for me, my colleagues or the people of Canada. Saying that there has been destruction of crops, a storm in some other country, or that some other country is suffering from scarcities of foodstuffs for some reason or another and "We know it is bad here but it is not half as bad as in some other countries" is not good enough.

This debate was brought on in order to give the government an opportunity to send this matter back to the committee. We want to deal with this question on the basis of today's facts. I hope the government will accept the hon. member's motion.

Some hon. Members: Question.

Mr. Jim Fleming (York West): Mr. Speaker, if hon. members have any questions after I have finished my remarks, I shall certainly entertain them. I have done a great deal of preparation on this subject and it is most unfortunate that, as we are close to ten o'clock, I will not have the opportunity to mention several things that I wanted to mention. In the time available, with the same courtesy on the part of opposition members that I have tried to extend to them during past months, I will try to make one or two points.

One of the major things we have been attacked on over the months is that the government has failed to get at the sources of inflation.

An hon. Member: It sure has.

Mr. Fleming: I should like again—

Some hon. Members: Oh, oh!

Mr. Fleming: I am hoping that someone on the other side of the House will tell me, either inside or outside the House, how we can tell the Japanese that pork is poisonous and how we can tell Europeans that beef is unhealthy. How can we tell God to give us better weather? How can we tell the farmer that he does not deserve a better price, or how do we tell the worker that he cannot fight for better wages?

Some hon. Members: Oh, oh!

Mr. Fleming: This is too bad, Mr. Speaker. I have seen this attitude developing over many months. Sometimes we get heated; sometimes the opposition becomes heated. That is fair enough. Surely, however, we extend courtesy in this House so that when someone is trying to make a point on behalf of his constituents, he is allowed to do it.

May I make a further point. It would not be fair or proper for this government to say, in attacking those sources of higher costs, that we must take away the right of the worker to fight for fair wages. We have heard a great deal about wage and price controls as being the saviour and the solution to the problem that we face in connection with inflation, and especially in connection with rising food costs. Something I have not heard mentioned in the last hour or two is the working paper produced by Professor David Smith of Queen's University. I think the first report of the committee studying trends in food prices recommended that that study be carried out.

The first working paper to come from Great Britain makes something clear. It notes that various control systems established over a number of years in Great Britain, and especially in the past year, have not been successful. Actually, the increase in food prices under controls in Great Britain has been, between April, 1972 and 1973, 15.4 per cent.

An hon. Member: Ten o'clock.

Mr. Fleming: Clearly, controls are nonsense.

Mr. Reilly: On a point of order, Mr. Speaker, because this subject is of such pressing importance to so many millions of Canadians and as, because of procedural difficulties today, a great many members, including my colleague across the way and myself, were precluded from taking part in the debate, I would ask the unanimous consent of the House to continue until eleven o'clock.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Paproski: John Reid said no.

The Acting Speaker (Mr. Laniel): Hon. members have heard the suggestion of the hon. member for Ottawa West (Mr. Reilly). Is there unanimous consent that we continue until eleven o'clock?

An hon. Member: No.

Mr. Hees: Donald Macdonald said no.

Mr. Reilly: Mr. Speaker, I rise on a second point of order. In view of the overwhelming importance of this subject to millions of Canadians, I feel justified in demanding that the government bring this matter in as a government order by the end of this week.

Some hon. Members: Hear, hear!

● (2200)

The Acting Speaker (Mr. Laniel): Order, please. The hon. member knows he should not rise on a point of order to make a speech or participate in the debate. If the hon. member has a valid point of order, I invite him to put it to the Chair and the Chair will decide on its value. Otherwise, we will proceed with the normal adjournment debate.

[Mr. Fleming.]

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, may I, in my eternal quest for knowledge, ask the parliamentary secretary to the government House leader about the business for tomorrow, the day after and the day after.

Mr. Reid: Mr. Speaker, I have a large shopping list for the day after and the day after, but tomorrow we will return to the Canada Pension Plan bill we were dealing with last Friday. If that is completed, we will proceed to the residential mortgage legislation. If that is concluded, we will then go on with the CNR financing bill.

Mr. Nielsen: What about the Parole Act?

Mr. Reid: We would also like to bring the Parole Act forward at a later point. Perhaps there could be some discussion among the House leaders as to the appropriate way and time to deal with this matter.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

ENERGY—CRUDE PETROLEUM—INQUIRY AS TO MEETING WITH ALBERTA MINISTERS—DISCUSSION OF CONSUMERS' SUBSIDY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, the seven minutes allotted to me tonight arise from the following question which I directed to the Minister of Energy, Mines and Resources, and also a question asked by the Leader of the Opposition (Mr. Stanfield), recorded at page 6590 of *Hansard*. My question was as follows:

> Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources if he is meeting any ministers of the government of Alberta this week and if one of the matters that will be discussed is the question of the province of Alberta subsidizing the consumers in reference to crude petroleum as western wheat farmers have been asked to subsidize consumers in reference to bread in the whole of Canada?

The minister replied:

> Mr. Speaker, I am meeting with the Alberta ministers. The hon. member's formulation will be an interesting one to put to them.

On September 14 the Leader of the Opposition asked a similar question. The minister replied:

> I think it is fair to say that they made no substantive comment about it.

When speaking to the Calgary Canadian Club on September 14, and I mentioned this in the question period today, Premier Lougheed said:

> We are and have been prepared to sit down at a national conference on energy in a spirit of co-operation. However, the federal government unilateral action now appears to preclude such an approach.

When pressed by me today, the minister stated there was consultation. I cannot accept that. With regard to consultation with western Canada, Alberta in particular, I say this new, ad hoc oil and gas policy of the government is the biggest deception ever perpetrated on western Canada. There was no consultation. One recalls the western economic resource conference where the Prime Minister (Mr. Trudeau) put on a show to gain western votes with words, and ever since he has kicked the west in the posterior, all of which was confirmed by the western Liberal delegation at their own convention. As a learned Liberal Senator said at the convention, considering what this government has done to our wheat, our cattle, our natural gas and our crude petroleum, if the government does not revoke and repeal such policies the Liberal party will become a matter of factual history, lacking any national, viable force.

This lack of consultation with the provinces is astounding. It is the most high-handed policy of negative co-operative federalism ever devised. Yesterday they talked about building a pipeline to Montreal. Premier Bourassa stated that it would interfere with their refinery development of crude from international markets. He said no; and as soon as he said no, of course, the Trudeau government said no. This is what the minister of natural resources of Quebec said:

> The pipeline project is absolutely unacceptable to the province of Quebec.

Mr. Lougheed, on the other hand, has complained about the mechanism of the surtax. His words are on record in this House. In his case the government said yes. The Prime Minister said yes. I ask, Mr. Speaker, what kind of economic discrimination is this to western Canada? This is economic alienation.

The utter confusion of the federal Liberal government policy has affected Canadian independent companies more than international companies. For it is they who must scramble for money, for investments in Canada and elsewhere. I was advised by one independent company today that the uncertainty of this policy will dry up funds and in the end all consumers in Canada will suffer. This drying up of funds will curtail development. It does not take a crystal-ball gazer to appreciate that because of the trouble in the Near East which could explode at any time, the price of international crude will continue to rise. The lack of development in Canada may make us dependent on others rather than being sure of ourselves. In the long run this policy will mean loss to the consumers of Canada.

In considering the price of a commodity such as crude petroleum, price has one of two functions. It may restrain consumption or it may generate supply. Those who are developing the tar sands, for example, have this to say:

> Unless oil sands production is exempted from export controls and export taxes, then it is our considered opinion that the federal government's actions would effectively put an end to large-scale development of the oil sands.

I do not have the time to put the figures on the record tonight, but they were put on the record of the committee and show that the tar sands can produce the same amount of crude petroleum as the proven reserves presently known in western Canada. Therefore this is no time for the government to be monkeying around without full consultation. Will the tar sands development be ground to a halt?

Now let me deal with the question of compromise. In my question today I smoked out the minister when I asked him about the compromise spoken of and which was so fully reported at page 9 of this morning's *Globe and Mail* in Mr. William Johnson's column. The minister said, of course, that the compromise is a compromise resolution of the convention, and that the hon. member—meaning me—should appreciate that it is not binding on the government. Therefore I say the compromise reached at the convention was not a compromise of government policy. So there has been no compromise; that there is, is fiction.

All of these problems have resulted from the Liberal government's ad hoc policy in regard to endeavouring to control galloping inflation. Their policies have added to and aggravated inflation since the Prime Minister said that inflation was licked. The sad thing, as I see it, is that it has taken Alberta a lot of capital, exploration, and above all risk, to find and to develop its resources of crude petroleum and natural gas. Today this government has put the lid on that development. It seems to me that this government believes, if I may coin a phrase, that the nationalism propounded by the Liberal party is according to the price of a barrel of crude petroleum produced in Alberta.

● (2210)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as I indicated in my response to questions earlier today, I met with Mr. Dickie, Alberta's minister of mines and minerals, on September 13, and on that occasion put to him the situation placed before us by the decision of the National Energy Board the day before, that it could not grant licences for October oil exports because it could not, as required by the act, satisfy itself that the price for Canadian oil being sold to the U.S. was just and reasonable. The board considered that the price differential was generally of the order of 40 cents.

I then explained the choices to Mr. Dickie; that is, let the federal government abandon its policy of attempting to control the inflationary pressures on oil and allow the Canadian price to rise to meet the U.S. price or, alternatively, we would simply not allow the export of oil, which was unthinkable or, alternatively, we had to find a method of maintaining the Canadian price and obtaining prevailing prices for our oil in the U.S. market. The immediate imposition of the export tax or other control mechanism was required. I told Mr. Dickie I regretted that a circumstance had arisen where we had to act immediately.

With regard to the utilization of the funds which would be raised, I suggested to Mr. Dickie that we had only in mind that they would be employed for the purposes of developing secure and stable supplies of energy in Canada. I assured Mr. Dickie that we would consider the Alberta government's entitlement to whatever additional royalties would have been obtained by the sale of oil in the U.S. at the higher U.S. market price, and that we would discuss with Alberta the application of the proceeds to energy developments in the province of Alberta and frontier oil, particularly increased exploration off the Atlantic coast where a discovery is so badly needed by Canada for

security of supply in the Atlantic provinces. I proposed to Mr. Dickie that I meet him again and other provincial ministers in Edmonton on October 3 for substantial negotiations which would accommodate Alberta's requirements within the context of the federal policy.

I do not know of any legitimate Alberta public interest which has not been taken into account by the federal government. I acknowledge that Alberta is the owner of the resource. But the owner, by virtue of his ownership, is not entitled to act apart from the responsibilities of being a member of a common neighbourhood, which I might call Canada. The national oil policy of 1961 gave Alberta oil a guaranteed market in Ontario and the western provinces, at a time when international oil was competitive with Alberta oil in price, all the way back to Edmonton. Canadian consumers assisted greatly in the development of the Alberta industry and it was right that they should have done so. Now we have an industry whose costs can compete in world markets. That industry and that province have some responsibilities to the rest of Canada.

The whole point of the federal policy announced by the Prime Minister (Mr. Trudeau) on September 4 is not to deprive the government of Alberta of revenues. Indeed, the division of these revenues was left for specific response and discussion on October 3 in Edmonton. The policy does, however, tax certain of the never higher profits of the oil industry for the dual purpose of giving some short-term protection to the Canadian consumer against exaggerated price jumps and providing funds which can be directed toward the development of other Alberta energy sources and those in other parts of Canada as well.

HEALTH—SUGGESTED INSTITUTION OF INSURED MEDICAL AND SURGICAL SUPPLIES FOR OLD AGE PENSIONERS AND OTHERS ON LOW INCOMES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I rise on this occasion to speak about the situation regarding insured drugs for those on low incomes. On repeated occasions in this House I have asked the Minister of National Health and Welfare (Mr. Lalonde) to insure the drug costs of all those on low incomes, the old age pensioner, those on small pensions and those living below the poverty line. These people have been hardest hit by the galloping increases in the cost of living. Food costs in the last year are up 20 per cent, and shelter is up 12 per cent. According to welfare statistics there are five million people in Canada living below the poverty line, or some 25 per cent of our people. To those on low incomes, food, shelter and drugs represent a much higher percentage of their dollar than the dollar of those on higher incomes.

I only plead the case of those on low incomes, particularly those who are sick and have chronic illnesses such as heart disease, arthritis, cerebral and vascular diseases or chronic diseases in general. When national medicare was brought in on the blueprint of the Hall Commission report, prescribed drugs were to be brought in also for those on medicare. Let me read what the report said:

> Effective and judicious use of drugs have made it possible not only to improve the health of the nation but also to raise the economic benefits resulting from the provision of health services. The use of many of the newer drugs by physicians facilitates their patients' recovery, and in some instances avoids or minimizes the effect of serious diseases. Improvement in the state of health of the nation meant increases in the productivity of the working force. Persons released from hospital care sooner because of new or improved drug therapy meant saving costly hospital bed days, a welcome economy in the light of rapidly increasing costs of hospital care.

[Mr. Macdonald (Rosedale).]

The report continues:

> Advances in drug therapy in the last two decades have been particularly spectacular.

In view of this, the commission concluded that all prescribed drugs should be included as a benefit of a comprehensive health care program. Over and over again the minister has replied to my pleas, as the one before him did, that the federal government would pay under the Canada Assistance Plan 50 per cent of drug costs. The minister surely had his tongue in his cheeck when he made that statement. He knows that this is permissive legislation. It is not mandatory like food and shelter.

Out of several letters I have received I should like to refer to one. It is a case record concerning a lady suffering severe rheumatoid arthritis and cardiovascular disease requiring five kinds of drugs so that she can keep out of hospital and look after herself in her own apartment. These drugs cost her well over $60 a month. Try to do that on $179 per month and pay for an apartment costing $125 per month. I am afraid most of us do not realize what we are allowing to happen to people who are sick and distressed. Permissive legislation gave her $25 per month maximum. She must pay the other $40, and if she stops taking the drugs she will go to hospital where she will occupy a bed at $60, plus, per day.

I am afraid the minister was more influenced by his counterparts in the provincial governments than by the spectre of those who have to deprive themselves and often eat a little less of poorer quality food, day after day, wondering where next they can cut in order to make ends meet. The minister might better break with his cronies in the provincial government and do what he knows is honest, necessary, long overdue and economically sound.

As a matter of fact, the minister and one of his provincial cronies did get friendly and, according to the story, the minister is going to share the cost or pass it under the table in some form or other to that province for its drugs. The minister talks about consensus of the provinces. There was no consensus in respect of medicare, yet it was passed. Insured drugs would cost one-sixth of the amount of medicare, and to the poor requiring it one-twentyfourth.

The provinces which did not accept medicare were taxed for it, so they soon walked the plank and joined. The minister, instead of doing his duty in respect of drugs, talks about a health care plan where health habits will be assessed. There will also be examinations to spot and prevent diseases. Yet, at the same time people are told that examinations must be cut down, that there are to be no more annual examinations. It is no wonder the people become confused. It is no wonder they are frustrated. I say to the minister, bring in the legislation to ensure drugs for those on low income. Sickness, lay-offs from work and hospitalization costs would involve greater amounts than the cost of drug care.

Costs are mounting daily. They are frightening. The minister should not pass by those people on the other side of the street. They should be given justice. Surely I do not have to remind the minister of the story of the Good Samaritan. Let him make a new resolve, and act.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I would like to amplify the statement given by the Minister of National Health and Welfare (Mr. Lalonde) in reply to a question the hon. member for Simcoe North (Mr. Rynard) raised the other day, and again tonight, concerning the institution of insured medical and surgical supplies for old age pensioners and others with low income who are in need.

● (2220)

In the first place, the federal government is not constitutionally in a position to institute such insured health benefits. What the federal government has done in this area is to offer to cost-share in one manner or another provincial programs providing such benefits to those in need. Under the Canada Assistance Plan, enacted by parliament in 1966, federal sharing has been and is available to all provinces, but not all have taken full advantage of its provisions. In fact, one large province with which the hon. member should be very familiar leaves the nature and extent of health-related benefits for persons in need largely to the discretion of local, municipal or regional authorities, with the result that there is great variation in the assistance available from one community to another, and this despite the ready availability of federal sharing to the extent of 50 per cent of the cost. Obviously, the provincial government could correct this situation itself.

Any extension of benefits under our two national health insurance programs would have to be on a universal basis since the acts do not provide for federal sharing of less than universal programs. The introduction at this time of a universal program covering pharmaceuticals and surgical supplies would have major budgetary implications and, quite apart from this, would represent a breach of the federal government's firm commitment that it would not initiate a new major joint program without provincial consensus. The background to this commitment is well known to the House.

To summarize, the provinces have not yet taken full advantage of the provisions of the Canada Assistance Plan to provide assistance in the area of pharmaceuticals and surgical supplies to the needy persons mentioned by the hon. member for Simcoe North.

CAPE BRETON DEVELOPMENT CORPORATION—ALLEGED FAILURE OF CORPORATION TO COMPLY WITH LEGISLATION—GOVERNMENT ACTION

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, about the only thing I could say that is worth mentioning at this time of night is that at present there are three times as many Tories in the House as there are Grits.

For the past six years I have used every possible vehicle to bring to the attention of the government a situation, namely, that legislation of 1967 has not been adhered to by the responsible Crown corporation officials in charge of the Cape Breton Development Corporation. The last question I put in this respect was on September 10, when I asked if there was any reason the president of the Cape Breton Development Corporation should not be held responsible under the Criminal Code in the same way as any railway worker would be who refused to return to work under the legislation which was recently passed by the House.

The fact remains that legislation passed in respect of pensions for dependants of former employees of the Cape Breton Development Corporation and in the coal industry under section 18 (a)(ii) of the act requires that pension arrangements be made, but there is no doubt that these arrangements have never been made. I might say here that two committees of parliament have given unanimous support to this matter. The most recent committee report recommended unanimously as follows:

> Your committee supports the position of the Cape Breton miners that the Cape Breton Development Corporation has not acted in the best interest of the said miners in deducting from pensions retirement payments sums of money which were legally forthcoming from federal unemployment insurance programs and the Canada Pension Plan. Further, your committee recommends to the House that a firm decision be taken in favour of the legitimate claims of the Cape Breton miners and recommends to the House of Commons that the government consider the advisability of instructing the Cape Breton Development Corporation to satisfy the said claims.

So far as the Cape Breton Development Corporation is concerned, I have here the situation as it applied up to July 1 of this year and still applies in many cases. This is a quotation from their own policy paper, and it reads as follows:

> (a) In the case of a surviving widow of the pensioner, make a single payment to her on the last day of the month in which the pensioner dies and again on the last day of the month following but not thereafter—

This can add up in some cases to a write-off of approximately $50 by way of an answer to the legislation passed in the House under section 18 (a)(ii) which requires coverage. As of July 1 there have been improvements brought about as a result of the sympathetic approach taken by the Minister of Regional Economic Expansion (Mr. Jamieson). I give full credit to the minister in this case. But I say here and now there is no denying that Mr. Tom Kent—and this can be found in the submission put before the government as recently as June—is still ignoring the legislation as passed by the House of Commons in June, 1967, section 18(a)(2), requiring that these payments be made to the widows. This is still not being done. There is no denying it.

I do not know how the parliamentary secretary who will answer on behalf of the minister, or how the minister or the government can answer this question. On the first committee there were 12 members from the government side of the House and that committee gave unanimous support to the contention I put before it, as did the petition accepted by Mr. Speaker and the government. The most recent committee also gave unanimous support to my contention.

The evidence that they have not carried out their full commitments under the legislation is to be found in their own writing. If the hon. member who takes the responsi-

bility for answering tonight reflects on what is happening in the court, I will have no alternative but to take up the matter as a question of privilege tomorrow, because here we are not dealing with the court decision in any way, shape or form but with what Mr. Kent has put in writing and what has been passed as legislation and supported by two committees of this House.

Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, on behalf of the minister, and in the absence of his parliamentary secretary, the hon. member for Saint Denis (Mr. Prud'homme), I would like to reply to the hon. member for Cape Breton-East Richmond (Mr. MacInnis). I know that the problems involving Devco's efforts in Cape Breton are not unfamiliar to members of the Standing Committee on Regional Development. The hon. member has brought them to the attention of that committee with force and commitment. On May 28 of this year, five representatives of the preretirement pensioners group met with the minister for discussions and subsequently with the standing committee.

The Minister of Regional Economic Expansion (Mr. Jamieson) has been working very hard to deal with what the hon. member regards as certain legitimate grievances of the pensioners. I believe considerable progress has been made. I know the minister is prepared to co-operate with the hon. member to pursue alternate means to bring just benefits to the Cape Breton miners and their families. The minister has also had discussions with the Minister of Justice (Mr. Lang) since there is a legal interpretation to this matter to which the hon. member has referred.

The Acting Speaker (Mr. Laniel): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until two o'clock tomorrow afternoon.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, September 18, 1973

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

U.S. REJECTION OF OVERLAND ROUTE TO MOVE OIL TO CHERRY POINT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I rise under the terms of Standing Order 43 to propose a motion on a matter of pressing national importance, namely, the report that the United States administration has, in effect, rejected any overland alternative to the use of supertankers at Cherry Point to provide crude oil for the Puget Sound area and the revelation from Washington that the Canadian government has not yet formally proposed any alternative overland scheme. I therefore move, seconded by the hon. member for Victoria (Mr. McKinnon):

That this House expresses its unalterable opposition to use of the Cherry Point terminal by oil supertankers and requests that the minister of external affairs make a full statement outlining the government's formal position and what measures the government will undertake on this critical matter.

Mr. Speaker: The hon. member's motion requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

HOUSE OF COMMONS

BENEFITS AND PRIVILEGES ACCORDED NEW DEMOCRATS AS OPPOSITION PARTY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the terms of Standing Order 43 to request the permission of the House to move a motion, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie). In view of the New Democratic Party's continued support of inadequate government economic policies resulting in the inability of parliament to deal effectively with the high cost of living, this House requests an examination be made as to whether the New Democratic Party is entitled to continue receiving the extra benefits and privileges customarily accorded to parties in opposition to the government and not customarily accorded to groups or parties in coalition with the government.

Mr. Speaker: The Chair has considerable doubt whether this kind of motion ought to be placed before the House. I think hon. members will agree that the matter should be taken under advisement.

* * *

FOOD PRICES

SUGGESTED RESUMPTION OF YESTERDAY'S DEBATE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I rise under the terms of Standing Order 43 on a matter of urgent and pressing necessity to all the people of Canada. I move, seconded by the hon. member for Halton (Mr. O'Connor):

That this House resume immediately the debate on food prices which adjourned at 10 p.m. last night.

Mr. Speaker: This motion requires unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

TRANSPORT

RAILWAY FREIGHT RATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, pursuant to Standing Order 43 I rise on a matter of urgent and pressing necessity. In view of the Minister of Transport's statement to the House on August 30, 1973, that he would ask the railway companies not to increase their rates for 18 months, and in view of the fact that on September 1 of this year, one day after his statement, the railways put into effect a 6 per cent increase on all agreed charges affecting our largest volume shippers, I therefore move, seconded by the hon. member for Battleford-Kindersley (Mr. Horner):

● (1410)

That this House instruct the Minister of Transport to advise the railways to immediately remove their increase of September 1 as per the minister's suggestion to them of August 20.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

Oral Questions

[*Translation*]

MANPOWER

SHORTAGE OF FARM WORKERS AND JOBS FOR STUDENTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek the unanimous consent of the House to discuss a matter of an undoubtedly urgent and pressing necessity. It refers on one hand to penniless students and, on the other, to the shortage of agricultural manpower.

I move, seconded by the member for Rimouski (Mr. Allard):

That a special committee of the House be asked to study the shortage of agricultural manpower as well as employment available to students and to report to the House, in order that the Department of Manpower and Immigration may have up to the spring of 1974 to draw up a program which would provide at least a partial solution to those problems and which would be implemented as soon as the spring of 1974 so that for once, the government would be introducing a timely and appropriate program.

Mr. Speaker: The House has heard the motion of the hon. member. Under Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent, so the motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

ENERGY

REPRESENTATIONS TO UNITED STATES RESPECTING PROPOSED MOVEMENT OF OIL BY SUPERTANKER TO CHERRY POINT AND ALTERNATIVE CANADIAN SUPPLY

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the right hon. Prime Minister. In view of the fact that since July the government has utterly failed to make any proposal to the United States guaranteeing Canadian oil to Puget Sound refineries in order to end tanker traffic in those waters and in view of the brave words of the Secretary of State for External Affairs in July that we have just begun to fight—

Mr. Speaker: Order, please. Perhaps the hon. member should ask the question. I remind hon. members immediately at the beginning of the question period that it is the responsibility of hon. members to ask questions without prefacing them with statements, preambles or allegations.

Mr. Fraser: Can the Prime Minister advise the House why no official communications have been made to the United States setting forth a specific proposal when everyone in the House has known that such communication is imperative in view of the legislation now before the U.S. Congress?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the views of the Canadian government on this subject are well known to the United States.

Some hon. Members: Oh, oh!

An hon. Member: Explain.

Mr. Sharp: They have been announced in the House of Commons, and I can think of no more authoritative a place in which to state government policy. Moreover, I have had occasion to remind the United States of the Canadian position. As the hon. member knows, the Alaska pipeline will not be completed for some years, so it is not a matter that has to be settled today or tomorrow. I do intend, when I meet the Secretary of State of the United States in New York next week, to remind him of the Canadian position.

Mr. Fraser: In view of U.S. Secretary Morton's letter to the house interior committee setting out the administration's opposition to additional Canadian oil to Puget Sound and because the key clause in the U.S. legislation being studied calls for U.S.-Canadian negotiation on this very point, does the government intend to do nothing until the meeting to which the minister has just referred or the meeting about which the Minister of Energy, Mines and Resources told us a few days ago which will take place some weeks from now between the minister and Governor Love?

Mr. Sharp: Provided that the appointment of the Secretary of State is confirmed by the Senate, I expect to see him on Tuesday morning at nine o'clock.

Mr. Fraser: Mr. Speaker, in view of the Prime Minister's statement on Tuesday last that it is government policy to propose Canadian oil to Puget Sound to end tanker traffic there, can the right hon. Prime Minister assure the House that he will forthwith make a statement on motions setting out in detail the Canadian proposal and give the House an assurance that such proposal will be immediately communicated to the United States government, because nobody believes any longer that the government cares what happens on the west coast?

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

* * *

EXTERNAL AFFAIRS

CHILE—RECOMMENDATION BY CHURCH LEADERS THAT RECOGNITION OF NEW MILITARY REGIME BE WITHHELD—ASYLUM FOR REFUGEES

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. In view of the joint statement of the moderator of the United Church, the primate of the Anglican Church, and Bishop Power of the Canadian Catholic Conference dealing with the overthrow of the democratically

elected government of Chile, which I presume the minister has received, will the minister tell the House whether he will accept the recommendation of the churchmen that recognition of the new military regime by Canada be withheld until it is clear that the new government is prepared to accept fundamental international principles and the recognition of human rights?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, perhaps I can reply by reading the words that were addressed to me by the moderator of the United Church, the president of the Canadian Catholic Conference and the primate of the Anglican Church who said, "We warn against precipitous recognition of an unconstitutional regime." That is also the view of the Canadian government, and that is why we have not replied to the request of the Chilean junta that we recognize it now. As the Prime Minister said yesterday, we are watching events very carefully. Our policy is not one of approval if and when we give recognition, but we want to make sure only that there is a government we can deal with confidently and that it is in effective control.

Mr. Brewin: In view of the fact the statement of the churchmen further calls upon the government to give support and assistance to all refugees from Chile, including Chileans who may wish to come to Canada, will the minister state what is government policy in this regard and whether it is willing to grant asylum to the victims of the violent overthrow of the Chilean government?

Mr. Sharp: Mr. Speaker, the House will be interested to know that there are some Chileans who have sought safe haven in our embassy in Santiago. There are three adults and one child there at the present time, and we are hoping that we will be able to arrange safe conduct for them because they wish to go to Mexico. We have had no requests whatsoever from Chileans to come to Canada, but in view of the Canadian government's record with respect to refugees, whether from Uganda, Czechoslovakia, Hungary or many other places in the world, I am sure we would give very sympathetic consideration to any such request.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Greenwood on a final supplementary, to be followed by the hon. member for Témiscamingue. I believe there are other supplementaries to the first question asked by the hon. member for Vancouver South. We will return to that subject when we have completed the first round.

Mr. Brewin: Mr. Speaker, I would like to ask the minister whether the government will refer to the appropriate committee of the United Nations the question of large numbers of people being detained by the military regime in Chile pending military trial by court martial, thus depriving them of the fundamental right to trial by the courts? Will this be put forward by the government to the appropriate committee of the United Nations?

Mr. Sharp: Mr. Speaker, it is my understanding that the Cuban government has already brought this and related questions to the attention of the Security Council and that a debate is beginning today.

● (1420)

[*Translation*]

HOUSE OF COMMONS

INQUIRY RESPECTING ADJOURNMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Prime Minister.

Can he give any indication as to whether we shall again have to move our families for the continuation of this session in order to enable the Progressive Conservative members to play politics or whether it will be possible for us to get back to our parliamentary vacation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as everyone knows, that question will be discussed between the leaders of the various parties. I am pleased to find out in advance the position of the Social Credit Party of Canada. Within the next 24 hours, I believe, the acting parliamentary leader of the government, the Minister of Justice, is going to meet the leaders of the other parties.

[*English*]

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question to the government House leader. Will he advise the Leader of the Social Credit Party that if he thinks they need longer vacations he has the right to put down a motion to that effect?

* * *

ENERGY

PRICE AT WHICH CANADA PREPARED TO SUPPLY OIL FOR CHERRY POINT REFINERY AS ALTERNATIVE TO TAPS TANKER ROUTE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I think I had better address this question to the Secretary of State for External Affairs since the Prime Minister is not accepting questions on the subject. With regard to Canada supplying oil to Pacific northwest refineries in the vicinity of Cherry Point has the Secretary of State for External Affairs in his conversations with the Secretary of State of the United States indicated that such oil will be supplied subject to the export tax?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the difference between American and Canadian prices is represented by the tax, but I am quite sure that the American administration understands, even if the Leader of the Opposition does not, that the price would have been the same whether there was a tax or not.

Mr. Stanfield: Mr. Speaker, I take it the answer is yes, although the minister skated all around the subject. I should like to ask the minister what assurances he is prepared to give to the Secretary of State of the United States with regard to the price at which Canada is prepared to supply oil to the Pacific northwest? Is it to be, as the Minister for Energy, Mines and Resources indicated the other day, a domestic price based upon oil landed in Montreal plus the export tax? What firm proposition does

the minister intend to make with regard to pricing to the Secretary of State of the United States?

Mr. Sharp: Mr. Speaker, the price will be in line with prices within the United States. I am sure the Leader of the Opposition would not want us to sell our oil for less than we can get for it in the United States.

REPRESENTATIONS TO UNITED STATES FOR REMOVAL OF CHERRY POINT REFINERY TO SITE FARTHER FROM BRITISH COLUMBIA

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, my question to the Secretary of State for External Affairs is supplementary to those asked earlier about the Cherry Point refinery. Having in mind the fact that the Cherry Point refinery is approximately 18 miles off the lower mainland of British Columbia and also the fact that the potential oil pollution from tankers is almost assured in that area, have representations been made or will they be made to the United States for either the removal of the Cherry Point refinery to a greater distance from Canada's shores, or has the subject been raised with the United States government of preventing this pollution so close to the lower mainland of British Columbia?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker, this subject has been raised on many occasions. As I said in answer to questions earlier in the session, the Canadian government was not opposed to the Alaska pipeline as such but was opposed very strongly and remains opposed to the pollution of those beautiful inland waters of British Columbia. Whichever way we can achieve this purpose, we will follow.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I have a supplementary on the same subject but perhaps a little more detailed than the one just asked. Will the minister now consider the Conservative suggestion and recommend to the United States that the major terminal for the Alaska-U.S. tanker route should be relocated away from Cherry Point to less dangerous waters such as Neah Bay or Grey's Harbour, and will the government move expeditiously on this matter so that this time the request may precede the refusal?

Mr. Sharp: Mr. Speaker, I would deny the premise of the question that this is particularly a Conservative idea. This is an idea that has been floated around for a long time by many people and has been shared by many members of this party. It certainly would be one that we would explore.

* * *

TRANSPORT

MEASURES TO CLEAR UP BACKLOG OF FREIGHT CARS AT NORTH SYDNEY DESTINED FOR NEWFOUNDLAND

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, moving to the other end of Canada, my question is addressed to the Minister of Transport. In view of the backlog of some 600 freight cars at North Sydney destined for Newfoundland and as officials of Canadian National Railways have indicated that the situation will persist until after the new year, what action is the minister going to take to direct emergency measures necessary to clean up this backlog and help to relieve the situation?

[Mr. Stanfield.]

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the only thing I could do, of course, would be to ask Canadian National to try to clean up this backlog as soon as possible. I can ask CN what measures they are actually taking.

Mr. Marshall: After the minister has asked CN or directed CN to take action, will he make a statement on motions in the House by Friday indicating the action that is going to be taken?

Mr. Marchand (Langelier): Mr. Speaker, I will let the hon. member know what Canadian National's answer is.

STEPS TO ENSURE THAT FERRY SERVICE TO NEWFOUNDLAND NOT INTERRUPTED IN FUTURE BY STRIKES

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a supplementary question to the minister. In view of the fact this backlog is largely the result of the strike, and in view of the resolution passed at the Liberal convention and the representations by members of the House, may I ask the minister what immediate steps the government is taking to ensure that this vital lifeline to the province of Newfoundland will never again be disrupted by strikes or in any other way?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think this is a very important question. I believe I answered in the House the other day that, of course, workers have the right to strike in this country and I think that nobody should deprive them of that. Can we, in the circumstances, have a parallel service during an emergency situation? This is something we are going to look into.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I direct a supplementary question to the Minister of Transport. We are talking about an emergency facing the province of Newfoundland, which happens to be part of Canada. Can the minister indicate whether he is prepared to go beyond asking Canadian National Railways what they are willing to do and direct CN to make available extra service to that province in order to ensure that we do not have to wait until after Christmas to have goods delivered which have been in place in North Sydney for the last couple of months? We are talking about an emergency facing part of Canada and we are certainly not willing to accept the answer the minister has given us.

Mr. Marchand (Langelier): Mr. Speaker, that is exactly what I will be asking Canadian National. As soon as I have the report I will give it to the hon. member.

INDUSTRY

TAKEOVER OF BRUCK MILLS BY JAPANESE COMPANIES—PRIOR CONSULTATION WITH MINISTER—DEVELOPMENT GRANTS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the takeover in July of a Canadian company, Bruck Mills of Quebec, which I believe employs over 2,000 people, by two Japanese companies, and also in view of the fact that Bruck Mills since 1971 has received over $900,000 in DREE grants, can the minister say whether he was consulted about this takeover and, if so, can he guarantee that it is of significant benefit to this country?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I was not consulted about the takeover. As the hon. member knows, there was no requirement in law on the part of the Japanese interests to consult me, but just as soon as we get Bill C-132 through the House there will be.

Mr. Baldwin: When?

Mr. Nystrom: Has the minister considered approaching the two Japanese companies about the $900,000 in DREE grants, and will he also undertake to table in the House a list of all companies that have been taken over by any foreign concern or enterprise during this calendar year?

Mr. Gillespie: Mr. Speaker, I believe that information has been made known to the House on an earlier occasion with respect to DREE grants.

* * *

IMMIGRATION

POSITION OF PERSONS NOT COVERED BY AMENDMENTS TO APPEAL BOARD ACT

Mr. Peter Stollery (Spadina): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Can the minister inform the House what he intends to do now with those persons who are not covered by the amendments to the Immigration Appeal Board Act and who come or are due to come before that board?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as the hon. member will be aware, when Bill C-197 was made law it did not include a special adjustment for those people who had already been ordered deported, but I did undertake at the time in the House to cause the department to review administratively all those cases under appeal to the board which might otherwise have been eligible for consideration under the relaxed criteria involved in Bill C-197. That process is under way now. Some 8,000 or 9,000 cases have been reviewed and many of them have now been referred to the Immigration Appeal Board. We will proceed with these measures with dispatch.

TRANSPORT

RAILWAY FREIGHT RATES—EXTENT OF FREEZE

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Transport. As on August 30 the minister stated in the House that the railways had agreed to an 18-month freight rate freeze and as on September 1, one day later, the railways increased their rates by 6 per cent on all agreed charges, can the minister advise the House what happened to the 18-month freight rate freeze?

● (1430)

Hon. Jean Marchand (Minister of Transport): Something very simple, Mr. Speaker, that was explained to the House, that when I asked the railways not to increase their rates I mentioned their normal rates, but I said that does not prevent the railways modifying their agreed rates. That means that if they and a company agree I cannot do anything.

* * *

[*Translation*]

AGRICULTURE

SUGGESTED AMENDMENT OF FARM CREDIT LAW TO COUNTERACT INCREASE IN OPERATING COST

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to direct a question to the hon. Minister of Agriculture.

In view of the fact that the prices of farms, livestock and equipment have nearly doubled since 1965, and that federal officials and advisers responsible for granting and administering the loans secured through the Farm Credit Corporation must still apply appraisal criteria set in 1965, thereby preventing the sons of a great many farmers from purchasing their family farms, does the hon. Minister of Agriculture or the government intend to do something about this during the next session?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are reviewing the present farm credit legislation.

* * *

TRANSPORT

PREVENTION OF ABRIDGEMENT OF PRINCE EDWARD ISLAND'S RIGHT TO FERRY LINK WITH MAINLAND—POSSIBILITY OF GOVERNMENT OPERATION OF SERVICE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I direct a question to the Minister of Transport. Is the minister actively seeking means whereby Prince Edward Island's constitutional right to transportation links with the rest of Canada will not again be abridged? In particular, can he advise if he is looking favourably upon the suggestion that these ferries, which are owned by the government of Canada, be operated directly by that government which has responsibility therein?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think I have answered this question three times. I believe that Premier Campbell wrote to the Prime Minister on this matter. At the same time, we have to consider the right of the employees.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): It is the law of the land that they have the right to strike. If hon. members want to remove that right, O.K.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. A number of hon. members are seeking supplementaries. I would hope we could try to move to another subject.

MEASURES TO CLEAR UP BACKLOG OF FREIGHT CARS AT NORTH SYDNEY DESTINED TO NEWFOUNDLAND

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is supplementary to those asked earlier by the hon. member for Gander-Twillingate and the hon. member for St. John's East. In view of the fact that responsibility for providing the link between Newfoundland and the Canadian mainland rests with the Canadian government, as agreed to in the terms of union, will the minister undertake to provide further ships if Canadian National is unable to clear up the backlog of freight cars? Will he agree to have additional ships moved in to help alleviate the situation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I will ask for a full report on this from Canadian National and my department. I cannot say yes or no. I do not know if there are any ships available at this stage. I cannot—

Some hon. Members: Oh, oh!

Mr. Fairweather: What about the *Bonaventure*?

Mr. Marchand (Langelier): Why don't you learn to swim?

Mr. Speaker: I suggest to hon. members that the noise and fury are not very conducive to a happy and fruitful question period.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to direct a further question to the Minister of Transport. Instead of the minister asking Canadian National or sending one of his officials to discuss this matter with CN, as though they were running the country, would he be prepared to have a completely independent inquiry set up immediately through his departement to investigate the aspects of the terms of union referred to by the hon. member for St. John's East to see whether in fact the government has a superseding responsibility and also investigate why Newfoundland, which is part of Canada, will have its transportation links cut off for six months just because CN is not willing to put on the equipment to carry out their responsibility?

Mr. Speaker: Order, please.

[Mr. Macquarrie.]

Mr. Marchand (Langelier): Mr. Speaker, I am aware of this problem. I have already stated in the House we are looking into forming some kind of agency to operate the ferries so that in future it will be possible to avoid this kind of situation, which I deplore as much as any member in the House. During the strike I even applied pressure so that the ferry operations would be maintained.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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

Mr. Speaker: Order, please. The hon. member rises on a question of privilege. After we have disposed or attempted to dispose of the question of privilege I will recognize the hon. member for Vancouver Kingsway and the hon. member for Bellechasse.

Mr. Lundrigan: I can only attempt to dispose of my question of privilege. The east coast of this country is faced with an emergency that is damaging and ruining the first good economy we have had in years. We stand in our places today to ask questions about a situation announced today which will mean a backlog in freight until after Christmas. This has been admitted by Canadian National. We have been sincere in directing questions to the minister. He says, "why don't you learn to swim?" That is a most derogatory comment. Newfoundland is the newest part of Canada and we suffer the most severe problems of any part of Canada. The least Canada can do, through the Prime Minister and the government, is to try to respond to this emergency with some kind of leadership. The minister should rise in his place and apologize.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Marchand (Langelier): Mr. Speaker—

Mr. Speaker: Order, please. As usual, I will hear the minister on the hon. member's alleged or suggested question of privilege.

Mr. Lundrigan: It is a damn shame.

Mr. Speaker: Order, please. The hon. member has made his speech.

[*Translation*]

Mr. Marchand (Langelier): On the same point of order, Mr. Speaker, I am sad to see that, apparently, they are trying to pass censure on the government and especially the Minister of Transport for a situation they could not prevent, the union leaders and railway company officials having agreed to maintain the ferries in operation even during the strike. The service was discontinued because the strikers disregarded their union leaders' instructions. Therefore, I am not to blame for that. At that time, we did everything we could and shall strive to prevent any repetition of this; that is, we shall work towards the maintenance of a normal situation.

To conclude, Mr. Speaker, I feel that some people here may die from anything, but certainly not from an overdose of humour!

[*English*]

Mr. Speaker: Order, please. The hon. member for Gander-Twillingate and all hon. members will, I am sure, appreciate that is not a question of privilege. When we talk about privilege we are talking about parliamentary privilege. The hon. member feels that his rights—

Mr. Lundrigan: The rights of Newfoundlanders.

Mr. Speaker: Order, please. I have ruled there is no question of privilege. I make this ruling now.

Mr. Lundrigan: This is getting to be a dictatorship.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. The hon. member for Vancouver Kingsway.

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CORPORATE AFFAIRS

INVESTIGATION OF CANADA SAFEWAY OPERATIONS IN OTHER PROVINCES IN LIGHT OF ALBERTA SUPREME COURT RULING

Mrs. Grace MacInnis (Vancouver Kingsway): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. In view of the action just taken by the Supreme Court of Alberta in ordering Canada Safeway to reduce its domination of the retail grocery market in Calgary and Edmonton, is the minister's department investigating the operations of Canada Safeway in other provinces where it is established with a view to determining the need to protect the consumer from this domination in other provinces?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, under the provisions of the Combines Investigation Act it is not possible to indicate what investigations are in progress. I am sure the director and the staff are actively carrying out their responsibilities.

Some hon. Members: Hear, hear!

Mr. Peters: You have never given a decent answer in this House.

Mrs. MacInnis (Vancouver Kingsway): In view of the Alberta court order restricting the amount of money Canada Safeway may spend on advertising, particularly saturation advertising in Alberta, does the minister contemplate similar investigation and restriction of Canada Safeway elsewhere?

● (1440)

Mr. Gray: I do not think there is anything I can properly add to my previous answer.

Some hon. Members: Oh, oh!

[*Translation*]

THE CANADIAN ECONOMY

POSSIBLE RECESSION IN QUEBEC IN 1974—PROPOSED MEASURES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wanted to put a question to the Minister of Finance, but in his absence I shall direct it to the Prime Minister.

In view of the statement made by the Quebec Minister of Finance during the weekend that a serious economic recession will occur in Quebec in 1974, may I ask the Prime Minister if he dealt with this subject with the Quebec premier so as to take the proper measures to face such a possibility?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I was not aware of this statement from the Quebec Minister of Finance. I shall take note of it and if need be, provide the hon. member with an answer.

* * *

[*English*]

NATIONAL DEFENCE

POLICY RESPECTING ALLOWING SERVICE BANDSMEN TO ENTERTAIN AT POLITICAL CONVENTIONS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of National Defence. Is it the policy of the minister and his department to allow service personnel bandsmen to entertain in civvies or uniform at political conventions as was the case during Senator Molgat's election campaign last weekend?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, I do not know what the hon. member is referring to. He will have to give me more details before I can answer.

Mr. McKenzie: Will the minister now consider allowing the Queen's Cameron's Reserve Pipe Band of Winnipeg to participate in the Pasadena Rose Bowl Parade on January 1, 1974?

Some hon. Members: Answer!

[*Later:*]

Mr. McKenzie: Mr. Speaker, I rise on a point of order. The Minister of National Defence was prepared to answer my supplementary question but was not given the opportunity.

* * *

FINANCE

POSSIBILITY OF FURTHER INCREASE IN BANK OF CANADA INTEREST RATE

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Acting Minister of Finance. In view of the United States prime bank rate having risen to an historic 10 per cent and the falling Canadian dollar, indicating that the rise in interest rates in Canada is not sufficient to

prevent the flow of money to the United States, has the Bank of Canada indicated to the government that there will be a further rise in interest rates here?

Hon. Mitchell Sharp (Acting Minister of Finance): Is the hon. gentleman speaking for his party when he advocates a higher interest rate?

Some hon. Members: Oh, oh!

Mr. MacInnis (Cape Breton-East Richmond): I rise on a point of order, Mr. Speaker. In doing so I make no reflection on the Chair, but when ministers of the Crown break the rules of the House I think it is only right they should be reminded of the fact in the same way as anyone else. The Acting Minister of Finance is forever doing it. He is always abusing the rules.

An hon. Member: Take it easy, Donald.

* * *

PUBLIC SERVICE

APPEAL AGAINST DECISION CONDEMNING RED CIRCLING—REQUEST FOR REVIEW OF PRACTICE AND APPROPRIATE LEGISLATION

Mr. Walter D. Baker (Grenville-Carleton): Mr. Speaker, my question is addressed to the President of the Treasury Board. In view of the importance of preserving the merit principle in the public service, would the minister inform the House whether the government has decided to launch an appeal against the excellent decision of Professor Abbot in which he condemned the practice of red circling in the Morency case?

Hon. C. M. Drury (President of Treasury Board): Yes, Mr. Speaker. In the interest of maintaining the pre-eminence of the merit principle in the public service an appeal will be made.

Mr. Baker: In view of the basic unfairness of the practice of red circling, will the minister undertake to review this practice immediately and bring appropriate legislation before the House at the earliest possible date?

Mr. Drury: I will undertake to look into this matter and review it to determine whether there is indeed unfairness. At the same time, I believe we should proceed to appeal the finding of a single adjudicator in this case.

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SUPPLY AND SERVICES

ALLEGED OPENING OF TENDERS IN SECRET

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is to the Prime Minister. Bearing in mind the statement made by the right hon. gentleman in the House four months ago that he would look into the government's practice of opening tenders in secret, and having regard to the statement made by the Minister of Supply and Services on May 23 that he had been studying this irregular practice since December, will the right hon. gentleman tell us whether this questionable practice has now been stopped and when he intends to make a statement to the House on the matter?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, as far as I know, none of my officials has been responsible for irregular practices in my department, but if the hon. member will be more specific in his question, I shall answer it. As for the standard practice in the department, as I have said, it is now being reviewed; I intend to announce a new policy in this regard in the very near future.

* * *

NATIONAL CAPITAL

STUDY BY DOUGLAS FULLERTON—REFERRAL TO HOUSE COMMITTEE

Mr. Gaston Isabelle (Hull): Mr. Speaker, from time to time, you would think that we were in other legislative assemblies.

I should like to direct a question to the right hon. Prime Minister.

In view of his constant desire to improve the conditions of life for the citizens of the national capital area, on whose behalf I thank him, could the right hon. Prime Minister tell us if he intends to set up shortly a parliamentary committee to again study all questions relating to the National Capital Commission, or will he wait for the Fullerton report on these important matters?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, my intention is rather to wait for the Fullerton report, to study it with the cabinet and then, if appropriate, to submit it to a parliamentary committee.

If the hon. member has other representations, I would be happy to hear him because I share his wish to improve conditions in the national capital since I intend, as he does, to go on living here for a long time.

* * *

[*English*]

TRANSPORT

REQUEST THAT AIR CANADA AND CNR ANNUAL REPORTS BE REFERRED TO STANDING COMMITTEE

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is to the Minister of Transport and is supplementary to virtually every question which has been asked this afternoon. In light of the strikes that affected the island provinces, higher freight rates, allocation of world air routes and everything else, will the minister please refer the annual reports of Air Canada and Canadian National Railways to the Standing Committee on Transport and Communications for study so that we may go into some of these matters?

[*Translation*]

Hon. Jean Marchand (Minister of Transport): As soon as those reports have been checked, Mr. Speaker, according to the law, they will be handed over to the cabinet.

[*English*]

DIVORCE

INQUIRY AS TO INTRODUCTION OF AMENDMENTS TO ACT RESPECTING GROUNDS

Mr. Stuart Leggatt (New Westminster): I have a question for the Minister of Justice, Mr. Speaker. In view of the resolution recently passed by the Canadian Bar Association recommending that marriage breakdown be the only ground for divorce and that one year of separation be conclusive evidence of such breakdown, and in view of increasing public concern about delay and costs in this field, is the minister considering the introduction of amendments to the divorce law along this line?

Hon. Otto E. Lang (Minister of Justice): We have this matter under consideration, but it is also being considered by the Law Reform Commission and I am inclined to await the report of that commission on the subject matter, at least if it is not too long delayed.

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GRAIN

WHEAT—POSSIBILITY OF LEGISLATION SETTING FLOOR PRICE RELATED TO FARMERS' COST OF PRODUCTION

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to address my question to the minister responsible for the Wheat Board. Since the minister has stated that at least a portion of his domestic wheat policy is to be introduced by way of legislation, may I ask whether he intends to forgo the floor price of $3.25 which has been announced and bring forward legislation making provision for a floor price related to the cost of production to western farmers?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I think the range of $3.25 to $5 does reflect the cost of production. What I did say to the House was that I would be considering this question and discussing with the House leader in due course the question of appropriate legislation, particularly to deal with the treasury payment which is involved as a consumer subsidy to keep the price of bread from going higher.

* * *

● (1450)

SHIPPING

REQUEST THAT SPANISH-CREWED SHIPS, "RO RO NEWFOUNDLAND" AND "RO RO NEW BRUNSWICK" NOT BE GRANTED VALIDATING LICENCES AND CERTIFICATES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of Transport related to matters arising between the Seafarers' International Union and the government. Has the minister received a telegram from the SIU requesting that the Spanish-crewed ships, *Ro Ro Newfoundland* and *Ro Ro New Brunswick,* not be granted the validating licences and certificates they need and, if so, can the minister

indicate to the House the nature of his reply? In other words, has he accepted the request or will he deny it?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, as the hon. member knows, I have been in contact with the premiers of the Atlantic provinces concerning those ships, the Darling report and the Commonwealth agreement. I am going to meet with them next Monday. This is one of the subjects I should like to raise with them before giving a final answer to the SIU.

* * *

GRAIN

OPEN QUOTAS AND PLUGGED ELEVATORS—INQUIRY AS TO COMPLAINTS

Mr. Craig Stewart (Marquette): Mr. Speaker, my question is directed to the minister responsible for the Canadian Wheat Board and arises from the fact that some farmers cannot deliver grain to plugged elevators. Is the minister receiving any complaints because of the almost wide open quota situation early in the crop year, while elevators are already plugged at some delivery points?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, most farmers faced with congested elevators are quite aware of the fact that this is a result of the railway strike. I do not, therefore, receive complaints from them. They are also aware of the fact that, while quotas are open, the record movement of grain throughout the rest of the year should soon relieve the congestion.

Mr. Stewart (Marquette): Will the minister instruct the Wheat Board to assist farmers who have not been able to make deliveries, thus protecting the equal quota principle of the Wheat Board for all farmers?

Mr. Lang: Mr. Speaker, the Wheat Board will, of course, be attempting to place grain cars particularly early and in large quantities in those places where there is congestion. In the meantime, the cash advance program is available to allow farmers to obtain some cash in advance of delivery. As the House knows, we intend to increase the limit available under the cash advance plan.

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AIR CANADA

DESTRUCTION OF PLANE BY EXPLOSION AT TORONTO INTERNATIONAL AIRPORT—INQUIRY AS TO REPORT— USE OF JP4 FUEL

Mr. Duncan M. Beattie (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Transport. On June 21 an explosion destroyed an Air Canada plane on the runway at Toronto International Airport. The minister ordered an investigation and promised to table the report in the House. Can he tell me now whether he has that report and, if not, what is the reason for the delay?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, the reason is that the report is not completed and is not on my desk.

Mr. Beattie (Hamilton Mountain): Mr. Speaker, I have a supplementary question. On June 26, when the minister was further questioned about the explosion, he stated that Air Canada opted for JP4 fuel because it was more efficient and more adapted to our climate. He also said he did not know the type of fuel used by Department of Transport planes. Now that he has had time to investigate, and in view of the fact that climatic conditions are the same for both Air Canada and the Department of Transport planes—

Mr. Speaker: Order, please. The hon. member should ask his question. I am sure the hon. member who has the floor knows there are 25 other members seeking an opportunity to ask questions and we have reached the end of the question period. Perhaps the hon. member would ask his supplementary as quickly as possible.

Mr. Beattie (Hamilton Mountain): Thank you, Mr. Speaker. Would the minister now inform me why the Department of Transport does not use the same fuel exclusively as Air Canada uses?

Mr. Marchand (Langelier): Mr. Speaker, I answered exactly the same question last week. I said at that time that the previous day I boarded a Jetstar of the Department of Transport which was refuelling at the time I was boarding it with GP4.

Mr. Beattie (Hamilton Mountain): On a point of order—

Mr. Speaker: Order, please. I apologize to hon. members but perhaps we have to hear the hon. member's point of order, after which I will regretfully have to call orders of the day.

Mr. Beattie (Hamilton Mountain): Mr. Speaker, my point of order relates to the possibility or probability that because of my accent the minister did not understand my question. I asked why Department of Transport planes do not use JP4 fuel exclusively if it is as safe and efficient as he claims it to be for Air Canada?

Mr. Marchand (Langelier): Mr. Speaker, I apologize if I did not understand the question correctly. In my answer I referred to "GP4" and I should have said JP4. I must state that all the technical advice we have indicates that it is not dangerous to the point that we should switch from one to the other.

Mr. Speaker: If the hon. member is rising on a point of order he will be recognized for that purpose, after which, as I said, we will call orders of the day.

Mr. Ellis: Mr. Speaker, I think my point of order is reasonable. I asked for the referral of some documents and the minister said, "when they are ready". These documents that I want sent to the committee have been on the table since last spring.

[Mr. Marchand (Langelier).]

• (1500)

GOVERNMENT ORDERS

[*English*]

CANADA PENSION PLAN

CONTRIBUTIONS OF MEMBERS OF CERTAIN RELIGIOUS SECTS, INTEREST RATE ON DELAYED PAYMENTS, PAYMENT OF LEGAL EXPENSES

The House resumed, from Friday, September 14, consideration of the motion of Mr. Lalonde for the second reading and reference to the Standing Committee on Health, Welfare and Social Affairs of Bill C-190, to amend the Canada Pension Plan.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, in the period immediately prior to private members' hour on September 14 when we last had this bill under consideration, I had suggested in respect of one aspect of the bill that this House should proceed with extreme caution when providing for exemptions from the bill's general application.

Mr. Speaker: Order, please.

[*Translation*]

Order. Allow me to point out to hon. members that it is rather difficult to hear the hon. member who now has the floor. The interesting conversations now going on could easily be held behind the curtains.

[*English*]

Mr. Barnett: Mr. Speaker, there are aspects of this bill on which hon. members have touched and with which I find no quarrel, but I do feel that the question of exemptions for a special group or groups is a matter which should receive careful scrutiny by the standing committee before the bill is reported.

As was indicated, the government apparently had a change of mind on this matter, and I suggested that possibly this is one case where the government was making a mistake by changing its mind. Hon. members may recall that immediately prior to the commencement of my speech the hon. member for Waterloo-Cambridge (Mr. Saltsman) gave us a very carefully phrased submission expressing his support of this exemption with special reference to the Old Order of Mennonites.

In the course of the hon. member's remarks he indicated that, according to his understanding, at the time this group entered Canada there was some agreement either expressed or implied which provided certain exemptions, and this was one of the conditions on which they immigrated to Canada. I would be willing to agree that there may be circumstances under which a form of special convenant was entered into, and that is a matter of valid consideration in relation to any legislation. Certainly, if there are such covenants or understandings their existence or otherwise should be carefully examined by the committee in all aspects, in order that the real facts can be ascertained. It is only after that kind of careful examination that the House can really have a clear picture of the right course of action to be taken.

My concern, and I think the concern of other hon. members from time to time, is that if we open a door of this kind we lay ourselves open to all sorts of demands for various kinds of exemptions from various groups under certain legislation. Therefore, the matter requires very careful study and examination. I do not know exactly what examination the government may have given the matter before recommending this bill to the House, but only in the standing committee can the considerations of the government be documented.

The hon. member for Waterloo-Cambridge indicated that the members of this religious group were willing to accept in some form their responsibility to the community as a whole. In other words, they were not merely seeking to evade the imposition of a tax, either directly or indirectly; they were in fact prepared to have their contributions go to some charity rather than the Canada Pension Plan. My feeling is that contributions to the Canada Pension Plan, either directly or indirectly, are for the common welfare of the Canadian people. Consequently, it might be that we should indicate to the members of this group that contributions to the plan should meet the criteria it is felt is required. If the Canada Pension Plan required the compulsory acceptance of a pension, then I would think their request for exemption from receiving benefits would be a different matter. But as we all know, taking a pension under the Canada Pension Plan or under the Old Age Security Act does require an initiative on the part of the individual citizen. It is only after the taking of that initiative that the benefits of either the Canada pension or old age security apply. This being the case, compulsory participation in the benefits of the plan does not really arise.

These are some of the issues that I feel are involved in this particular aspect of the bill and are the reasons I felt I should intervene briefly in the debate on second reading to express my views. I hope that after due consideration in committee the whole matter will be clarified, and we may be in a position to assess whether or not the government proposal is a wise one.

Mr. Jake Epp (Provencher): Mr. Speaker, with respect to the amendments to the Canada Pension Plan Act before the House in the form of Bill C-190, there are a few thoughts I should like to place on the record which I feel it is incumbent on members of the House to keep in mind as they view the proposed amendments.

One of the objections that has been aired in this House concerns universality. One of the hallmarks of the Canada Pension Plan was its universality; all Canadians participated, and by exempting specific groups this concept of universality would be broken. I should like to deal with that point a little later, but the Canada Pension Plan clearly makes exceptions to the concept of universality, if there is such a thing as an exception to universality. That point has been brought out constantly by speakers who have said the amendment should not pass.

The second point is in connection with security. I want to relate my comments not to the Old Order Mennonites or the Mennonite people in particular. I am not speaking for myself or representing people of Old Order Mennonite or Amish background. The point that has been made in favour of those people does not apply to my constituents.

The question of security has been mentioned. It has been pointed out that a pension plan builds up security for people in their old age or in case they become disabled. It gives them a fund so they do not become wards of the state. Under the Hutterian principle of common holdings, it is the responsibility of the communal society as a whole to take care of those who cannot help themselves, such as the elderly or those who suffer misfortune and are unable to contribute in a general way to the economic well-being of the colony. So I do not believe that the second point, namely that their security would be hampered or tampered with and that we must provide them with security by legislation, applies to the Hutterian Brethren of which I speak.

The matter that disturbed me the most about the opposition to the amendments to Bill C-190 was the direct statement that the Hutterian people were not loyal to the country or were not loyal citizens. I reject that statement completely.

Some hon. Members: Hear, hear!

Mr. Epp: Just because groups think differently from the way I think or might have a different system of dividing its members' goods and providing the services they need, does not mean that they are not loyal to this country, that they are not loyal citizens. Under the tenets of faith of the Hutterian Brethren, when they talk of loyalty to a country their first loyalty is to God. Under the precepts governing their religious beliefs, the precepts of God cannot be violated by the laws of the country in which they live. So that is their concept of loyalty so far as citizenship is concerned.

That being the case, what are the facts of the matter? The Canada Pension Plan did not provide for universality; it clearly exempted groups of people who are members of religious orders and who took the vow of perpetual poverty. It also exempted those who were church employed. These were the two basic exemptions and the Canada Pension Plan did not apply to such groups.

Since the inception of the Canada Pension Plan in 1966, certain groups have not had to contribute under the terms of the act. I suggest that the Hutterian Brethren fall within this class of exemption in light of their tenets of faith. First of all, they do take the vow of perpetual poverty. Second, they hold all things in common. Third, they are church employed, the church being the communal administrative body of every Hutterian colony.

I should just like to quote their vow of baptism, and every person who becomes a member of a Hutterian society must accept this vow:

> That no one shall have any private possessions any more: for one gives and surrenders himself to the Lord and his church with all that he has and is able to do, as it was in the original apostolic church, when no one said of his possessions that they were his own, but all things were common to them.

In order to be a Hutterian you must take this vow of baptism; you cannot be born a full-fledged member. Therefore my point is that, the Canada Pension Plan having already made exceptions, the principle of universality is debatable. Then, under the terms of the exemptions made under the Canada Pension Plan I submit that the Hutterian Brethren are just as much entitled to exemption from

this plan as the religious groups which are now exempted from it.

● (1510)

I should like also to point out the basic premise on which I will be basing my support of the amendments to the act contained in Bill C-190. I believe that the Canadian Bill of Rights passed in 1960, as well as the Alberta bill of rights, takes precedence in respect of this whole area of freedom of religion. This means that this basic freedom must be honoured and take precedence above the principle of universality which the Canada Pension Plan purports to adopt.

What is the case? Why, for instance, do the Hutterian Brethren object to the Canada Pension Plan and to pension plans in general? They object because a person belonging to that group took the vows of perpetual poverty. He cannot hold any possession, privately or individually. So based on their religious vows, they believe that by building up a pension they are building up personal equity. Whether the pension plan is administered by the government or by an independent insurance company, the person who takes out the pension plan is building up an equity for the time when he is old or disabled. This is entirely contrary to the religious beliefs of the Hutterian Brethren and contrary to their vows of perpetual poverty. So, it is not a matter of escaping taxes or escaping a responsibility but rather a violation of the basic right enshrined in the Canadian Bill of Rights, that is freedom of religion.

I think further that very clearly when the Anabaptist groups came to Canada the letters patent of 1873 were not enshrined in the law, but the government of the day let it be understood that those rights and exemptions for which they asked would be maintained in perpetuity. This has been done, and from that point of view the amendments to the Canada Pension Plan in Bill C-190 are valid and do not violate the principles which underlie the bill.

Further, the present government, I believe, has an obligation which goes back to the former minister of national revenue who stated in a letter to the Hutterian Brethren of Canada that as of January 1, 1972 the Hutterian Brethren of Canada would be exempted from paying the Canada Pension Plan premiums. That is the basis of the amendments now before us. There is still the question, whether or not the amendments to the bill carry, of what position should be taken in respect of the premiums that have not been paid from 1966 to 1972. In some provinces they have been paid under protest by the Hutterian Brethren, but in other provinces, specifically in Manitoba, they have not been. Those premiums, in part, have been paid in that the government withheld moneys which were claimed by the Hutterian Brethren of Manitoba from Department of National Revenue at the end of the tax year.

Since 1972, when they received a letter from the then minister of national revenue, the department has again withheld moneys, either coming through subsidies under the agricultural programs of the Department of Agriculture or from the Department of National Revenue in rebates for income tax payments. Despite the assurances which they received from the minister effective from January 1, 1972 the policy has not yet been altered so far as the actual collection of those premiums is concerned.

I do not believe that you can approach this case from the point of view of universality or from the point of view of security, because both those premises of those who oppose the amendments to the Canada Pension Plan are not valid. In so far as Universality is concerned the Hutterian Brethren have been exempted from the provisions of the Canada Pension Plan, and they do not demand from the state security payments or welfare payments which the rest of society receive from the government at the age of 65 or whatever the case may be.

In defence of the case that all goods are held in common I refer you to a case in Manitoba. Without a doubt most members of the House know that all children born to Hutterians do not remain in the colony, and there is a period of time when a certain number of them will leave the colony. They might come back or they might not. In Manitoba, a case came before the courts in which a certain number of Hutterian Brethren had left the colony in which they lived and then asked a court to rule that they could receive that proportion of the assessed goods of the colony to which their number was equivalent. In the judgment in Manitoba, the court very clearly decided that because of the vows of perpetual poverty and communal holdings, a Hutterian did not own anything; the goods were held in common and could not be divided as members left. So, the members did not have a specific proportion or ratio of the total goods of that community. If the decision had been the other way, it would have destroyed the very tenets on which the religion of these people is based.

Canada is a democracy and it is made up of various people. We come here with various backgrounds. I also subscribe to the idea that every citizen should accept responsibility to the nation. On the other hand, the strength of a democracy lies in the freedoms to which we give lip service. If these freedoms exist and are allowed in practice, then I believe that the amendments in Bill C-190 strengthen the democracy and give credence to the principles on which that democracy is based.

Bill C-190 still does not clear up the question of the backlog nor what will be done about those premiums from 1966 to 1972. I believe that the government, in bringing forth these amendments, is fulfilling an obligation which it has toward these people. I do not believe the bill is in direct conflict with the basic principle of universality, and I am happy to state clearly that I will support these amendments when they come up for a final vote.

Mr. Horner (Crowfoot): Would the hon. member permit a question? I should like to direct the following question to him. Would he be prepared to support an amendment to the bill which would allow any religious organization, whether or not it was founded before 1966, to have the same opportunity to opt out of the Canada Pension Plan payments?

Mr. Epp: I believe that the hon. member for Crowfoot (Mr. Horner) and I could come to a common understanding.

● (1520)

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I rise to support this bill and I believe I can be brief. My personal concern with the exemption provisions of the Canada Pension Plan arises out of the fact that I have a number of Old Order Mennonite and Amish in my riding. The position that I take is to try to reflect, as best as I am able, the feeling in the hearts and consciences of these people. I believe, Sir, that this feeling was best expressed in a short sentence in a letter from a member of the Old Order of Mennonites which read as follows:

We believe in trying to live by the honest labour of our own hands and not accept handouts from the public treasury.

I find a great deal to support in that position, and frankly I find very little to criticize or question. I suppose one could argue that this violates the principle of universality in the pension scheme, and indeed it does. I do know the advantages of the universal welfare and insurance schemes, but I am not prepared to accept the principle of universality as the single criterion upon which legislation should be based. From time to time, and probably on too rare occasions, we in this House have the opportunity of expressing that which is in the hearts and consciences of one of our minority groups. We have the privilege in certain cases of overriding part of a universal scheme which is supported only by technicalities and bureaucratic expediency. I suggest to Your Honour that Bill C-190 affords us such an opportunity.

This bill does not open any great floodgates to Canadians wishing to escape the obligations of the Canada Pension Plan. It permits a few very small groups to escape a burden that is placed on their consciences. It will not destroy the Canada Pension Plan. It will not create a bureaucratic nightmare. I must reject immediately the argument that this infringes upon the fair financing of the Canada Pension Plan. If one wishes to reduce this debate to a matter of debits and credits, I think we will find that the Old Order of Mennonites and the Amish are certainly not the winners, and that the public treasury is certainly not the loser.

My position on this matter of finances can be supported at every level of government, not just the federal level. At the municipal level these people pay substantial realty taxes, a large portion of which goes to education and welfare costs, yet their children are educated in their own parochial schools entirely at their own expense, and these people do not accept welfare.

At the provincial and federal levels of government I point out that these people contribute to such plans as workmen's compensation, family assistance plans, old age pensions, and yet they accept no benefits from any such plan. As an aside I would point out that it is a matter of record that these people have repeatedly offered to pay the equivalent of insurance premiums into any worthy charity. Therefore if one wishes to argue on the basis of economics, certainly the public treasury comes out far ahead of the Old Order of Mennonites and the Amish.

In this connection may I emphasize one very important point. Contributions by way of taxation do not place the same burden upon the consciences of these people. They contribute substantially, and indeed willingly, although they accept no benefits. However, a contribution by way of an insurance premium, such as under the Canada Pension Plan, is a philosophical burden. It violates their principle of mutual aid. It means that they are being compelled to support a government welfare program as against a church centred program, which naturally arouses a fear that over a period of time the loyalties of their people could be diverted away from the church toward a dependence on government. I believe it behooves us to respect this principle of mutual aid where, for example, buildings destroyed by fire are replaced by willing neighbours, and where plowing, seeding and harvesting of crops are performed for those who are the victims of illness or accident.

Therefore I support this bill, but in doing so I remind the minister that this legislation was promised two years ago by the then minister of national health and welfare and the then minister of national revenue. The timing of this legislation is a pretty good indication of what we have come to expect from those who choose to govern by press release. I confess that I doubt that we would even have this legislation now had it not been for the minority position of the government resulting from the election last October. Nor do I suggest that the government or the minister should take any pride in the fact that Canada Pension Plan premiums were collected from the Old Order of Mennonites and the Amish by way of garnishee of milk, cream and grain cheques.

As pointed out earlier in this debate by the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty), we in this House often find ourselves in the uncomfortable position of sitting in judgment to some degree on our fellow countrymen. We have judged that those who contribute to government welfare schemes and collect benefits in return are good citizens. Who among us is to say that those for whom I speak today, who contribute equally but take nothing in return, are not good Canadians?

In closing may I quote briefly from an editorial which appeared in the June 14, 1973, edition of Mount Forest *Confederate*:

So determined was the government to tell Canadians how they should save for their old age that they deducted premiums from Mennonite farmers' cream cheques. Henceforward the Mennonites will be permitted to provide for their sunset years by personal frugality and the raising of devoted families—as they have been doing quite successfully for the past 300 years. In fact it would be just about ideal if the government could find a workable law which would make all the rest of us do the same thing.

Mr. Speaker: If the minister speaks now he will close the debate.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I wish to take only a few minutes to put on the record certain comments concerning the scope of the bill and of the various clauses contained therein. I have listened with great interest to the points of view expressed by hon. members on both sides of the House. I note that the debate concentrated mainly on the clause that has raised most questions, and on which we heard two speeches this afternoon. But, Mr. Speaker, the bill has other provisions in it, and I thought it might save time in the standing committee if I took a few minutes to say a few words about the bill in general.

With the introduction of the Canada and Quebec Pension Plans in 1965, a program was begun whereby people could and would make financial provision for their retirement, and at, the same time, protect themselves and their dependents or survivors in the event of severe disability or death. Aside from this primary goal, the plans have, during the first years of operation, provided provinces with a significant source of capital at very favourable interest rates.

As hon. members know, this is achieved by loans to the provinces of the amount by which the operating balance in the fund exceeds the amount required to be paid in benefits and for administration. As of March 31, 1973, for example, the total amount of investment in all provincial securities, other than Quebec, was $5,589.6 million, bearing an average interest rate of 6.9 per cent, or roughly $5½ billion in provincial securities.

The benefits provided by the Canada Pension Plan for contributors and their dependents include a retirement pension, a widow's pension, a disability pension, a death benefit, and a benefit for the children of deceased or disabled contributors. Because the plan, as designed, has a ten-year maturation period for retirement pensions, the maximum retirement pension will be payable in 1976 when, under current provisions, it will be approximately $122 a month.

The Quebec Pension Plan was designed with the same benefits payable, the same maturation period and the same qualifying periods. However, the Quebec plan was substantially changed with effect from January 1, 1973, so that the maximum monthly retirement pension in 1976 will be $133.

In 1970 the government felt that action should be taken to amend the Canada Pension Plan to have the benefits more accurately reflect the economy in which the plan was operating. Accordingly, in that year the white paper on income security for Canadians was published with several proposals for improvement in the plan including a suggested increase in the maximum pensionable earnings for contribution and benefit purposes for 1973, 1974 and 1975, the last three years of the maturation period. All the proposals were discussed with the provinces who indicated at that time that firm decisions on specific items should await an appreciation of the whole direction of national social security programs.

● (1530)

[*Translation*]

The working paper on social security in Canada released in April 1973 was the starting point for the joint federal-provincial revision of the whole social security system. It was followed late in the same month by a meeting of federal and provincial ministers of social welfare. At and following that meeting my counterparts from the provinces studied the proposed changes. It was agreed not only that a general agreement was going to be reached on some of the major issues but also that immediate steps were necessary.

Before year's end I hope to introduce in this House the legislation to enact those major amendments while at the same time ensuring compatibility with the Quebec Pension Plan.

[Mr. Lalonde.]

However, there are a number of technical amendments which should be made in the meantime and can be brought about without the assent of the provinces. It is for that reason that before the July adjournment we introduced Bill C-190 which is being considered today on second reading.

First, the government proposes a technical amendment to exclude from the plan the Hutterites and Mennonites as well as others similar groups because of the fact that their participation in the plan is incompatible with their religious beliefs. This is a measure to which we publicly committed ourselves in December 1971.

Furthermore, certain amendments to the Income Tax Act have made certain changes to the Canada Pension Plan necessary; those changes will ensure that the interest payable or refundable on overpayments or contribution deficits to the plan correspond to similar amounts paid under the new Income Tax Act.

Moreover, the transfer of the U.S. base at Goose Bay, Labrador, called for a third amendment aimed especially at ensuring retroactive protection under the Canada Pension Plan for Canadians who were employed by the government of the United States at that base and who were excluded from the plan under the present agreement.

[*English*]

In this connection, Mr. Speaker, I should like to commend the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey) for his conscientious efforts to see such an amendment brought forward for the benefit of the civilian population on the base. His interest and support in our negotiations are warmly appreciated.

[*Translation*]

Another amendment is related to the appeal procedure and would permit the administration to pay reasonable fees to the lawyer at the second stage of the procedure when the administration brings the case before the Pension Appeals Board—third and last stage of the appeal procedure.

The last technical amendment gives the Auditor General the explicit right to audit the Canada Pension Plan Account. Until now he was doing it under the powers implicitly attributed to him by the Financial Administration Act.

[*English*]

Taking these points in order, Mr. Speaker, I would like to amplify them briefly for hon. members and explain why these amendments are necessary.

The first proposed amendment concerning the Hutterite and Mennonite communities is intended to honour a commitment made by my predecessor and the then minister of national revenue, as I said, in December, 1971. At that time they indicated that an amendment would be introduced exempting certain religious groups from converage and any contribution to the plan. This commitment was the result of representations made to the government by the Old Order Amish, Mennonite and Hutterian sects.

The government believed then, as it does now, that the Canada Pension Plan, in its present form, places an unintended penalty on these groups for the practice of their own particular religions. This amendment is designed to

correct the situation. The communal nature of the Hutterian colonies was recognized in 1969 when it was agreed that members of the colonies were to be considered as partners in the business of farming for the purpose of the Income Tax Act. The colony members live according to the tenets and teachings of their religion in small, self-contained communities in various parts of Canada. According to their beliefs, members of the colony should not acquire interests or rights to property of any kind, and they feel that the Canada Pension Plan gives contributors such rights. Although eschewing Canada Pension Plan benefits, Hutterian colonies make their own provisions for dependent members when they are no longer capable of physically contributing to the welfare of the community as a whole. This provision is such that dependent members are maintained for the rest of their lives in the manner to which they are accustomed, at the expense of the whole community.

The Old Order Amish Mennonite sects hold similar beliefs and although members do not live in colonies, they have consistently stated that their religious convictions are such that they may not, in good conscience, accept benefits under the Canada Pension Plan. The United States government recognized their special status in 1966 and amended their social security legislation to exempt them from coverage.

Despite the fact that the members of these religious groups mentioned are prevented by conscience from accepting any benefits, they are required by law to contribute to the Canada Pension Plan, and the Department of National Revenue is required by law to collect those contributions. Under the legislation now in force, liabilities for 1972 contributions have been generated in the accounts of self-employed members of the sects and many returns have been automatically set aside for collection. In effect, the government had no choice but to apply the law as it stands now.

During the last session, there appeared to be a consensus in the House that this amendment should be given priority in order to allow these religious groups the freedom to practise their religion without any question of law-breaking. I think most hon. members will agree that the amendment is still necessary today, and even more urgent.

I understand the reservations and the serious questions raised by some members who feel that this amendment should not be put forward. The government has had to answer in its own mind questions that have been raised on this subject, dealing on the one hand with questions of freedom of religion and the respect that we have in this country for fundamental freedom and, on the other hand, the necessity of ensuring equal treatment so that all citizens of this country, as much as possible, are put in the same situation under the law. As one hon. member said last Friday, the government has felt that if we were to err we would rather err in the direction of supporting and maintaining basic freedoms rather than supporting the general principle of universality in the application of certain types of laws.

Under the terms proposed, therefore, a member of a religious sect prescribed by the Minister of National Revenue (Mr. Stanbury), may elect to be relieved of the obligation of making self-employed contributions to the plan. If the election is filed within six months of the date the new section comes into effect, the election is effective from January 1, 1972. An election filed at any later date takes effect on January 1 of the year in which it is filed—a retroactive date in both cases.

● (1540)

An election can, in the prescribed manner, be revoked with effect from January 1 of the year following the date the Minister of National Revenue receives the revocation. A person may revoke his election whenever he wishes, and for whatever reason, though once he has made a revocation, he can never again elect not to make self-employed contributions. In addition, the new law guarantees a refund of any contributions paid with respect to a period to which an election relates, though not preceding January 1, 1972, because of the effective date of the amendment. Pre-1972 contributions will eventually generate a retirement pension, or disability and/or survivor benefits, if the persons involved wish to accept them.

The second proposed amendment, dealt with in Clauses 2, 3 and 4, is more administrative in nature than the first. Before tax reform, the rate of interest payable in monies owed to the Department of National Revenue, and by the department, were specified in the Income Tax Act. For reasons of flexibility this was changed in the revised act, to the effect that the rate of interest would be decided by governor in council. The provision for interest payable in the Canada Pension Plan, however, was not changed, and thus the purpose of the present amendments is to give the plan the same degree of flexibility that is now part of the Income Tax Act. The rates of interest will, in all cases, be the same as those prescribed by governor in council under the provisions of the Income Tax Act.

Clause 5 of the present bill deals with international agreements. As hon. members will know, the United States Air Force, at its base in Goose Bay, Labrador, employed a number of local Canadian civilians on the base. These people were employees of the United States government and, as such, many of them were covered by either the U.S. Civil Service Retirement System or a private pension plan financed by the government of the United States. In 1967, an agreement was signed between Canada and the U.S.A. whereby the employment in Canada of locally engaged civilians by the government of the United States was included in pensionable employment for the purposes of the Canada Pension Plan. At the request of the United States, however, a clause was added to the agreement stating that the government of the United States was not required to contribute to the plan on behalf of those employees covered under the above U.S. pension plans, but would contribute on behalf of those not included in the U.S. plans.

As hon. members know, the United States Air Force has now relinquished its lease on the base, which reverted to the Ministry of Transport as of July 1 of this year. Negotiations leading to the transfer of control and operations included discussions of the coverage of those employees included in U.S government pension plans, and, as a result, the government of the United States reversed its position and indicated willingness to cover these employees under the Canada Pension Plan from July 1, 1972 onwards.

Unfortunately, Article 9 of the Statutory Instruments Act (1971) states in effect that it is not possible to make a regulation retroactive if the act pursuant to which the regulation is made does not provide for such retroactivity. The Canada Pension Plan does not, and so an amendment is necessary to give effect to the back-dating of coverage.

This problem may well arise again in the future. Any international negotiation is lengthy and detailed, which invariably means that the effective date of the agreement is prior to the actual signing, and consequently the general power provided in the amending clause will also sanction this combination of circumstances in the future.

[*Translation*]

As regards clause 6 of the bill, this technical amendment relates to the appeal procedure. In certain cases the decision rendered by the review committee—second stage of the procedure—is favourable to the claimant but the administration cannot approve it because this is found contrary to the law and jurisprudence established by previous decisions. Therefore, those cases can be brought before the Pension Appeals Board made up of judges which is the third and last stage of the appeal procedure. As a rule and until now the board has confirmed the decisions rendered by the administration.

However, it is admitted that within this process some respondents may be disadvantaged, mainly because of a lack of resources since at those hearings the Crown is represented by a lawyer from the Department of Justice whereas quite often the claimant cannot afford a lawyer and pay for the fees. It is therefore proposed to make a technical amendment which would permit the administration to pay reasonable fees to the lawyer chosen by the claimant to represent him. In effect, under the current law, the claimant is unfortunately not entitled to such compensation.

[*English*]

In this respect, I should like to thank hon. members on both sides of the House who, on numerous occasions, have drawn this point to my attention. Their representations mainly concerned the fact that the Canada Pension Plan authorities had appealed decisions, which had been rendered at the second level of appeal, and which were so to speak, in favour of certain citizens. Unfortunately, as I say, the administration had no choice except to appeal some of those decisions, because they did not appear to be consistent either with the act or with the established decisions in this area. It was not always found possible to go along with the decisions made at this second level of appeal as some of those decisions were contrary to the provision of the Canada Pension Plan itself. I think that the present approach at least will permit any citizen of this country to avail himself of the appeal process under the Canada Pension Plan. No longer will he find himself unable to go before the highest appeal tribunal because he himself has not enough resources to pay for the services of counsel.

[*Translation*]

Finally, clause 7 is related to the Auditor General's authority. During a meeting of the Committee on Public Accounts, the Auditor General's office requested that the Canada Pension Plan include a specific provision calling for an audit of accounts by this office; in this connection, they pointed out the recent amendment to the Unemployment Insurance Act. Therefore, the last clause is the counterpart of the provision already included in the unemployment Insurance Act.

Mr. Speaker, what I have just said shows that the amendments I have outlined—some of which rest on humanitarian grounds, others on administrative grounds—will contribute to provide for a Canada Pension Plan that will work better and that will meet Canadians' needs. Of course, more important amendments are being discussed with provinces and, as I said earlier, we hope to be able to introduce soon a bill in this connection. In the meantime, we must concentrate our attention on the technical amendments that were proposed today. I hope that when these amendments are considered in committee, we will have the opportunity of debating in depth other problems that were raised, particularly about the possible exemption of specific religious groups.

[*English*]

Once more, in conclusion, I wish to think hon. members for their contributions in this debate and their thoughtful remarks both for and against certain amendments. I am convinced that discussion in committee will clarify certain points. I am sorry that certain members on the opposite side feel that they cannot support this particular amendment. I am happy to see that, at least, the official spokesmen of all parties are supporting this particular amendment and this particular bill. I hope it will receive quick and early approval by this House.

• (1550)

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Will the minister permit a question?

Mr. Lalonde: Yes, Mr. Speaker.

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): First, I apologize to the minister for re-opening this subject after he has concluded his remarks. I have one short question. It arises from the concern expressed to me by a number of members of the Mennonite community about some of the pressure on those who followed the tenets of their religion and did not make contributions to the Canada Pension Plan for the taxation year 1971. They have asked that the government give consideration to the possibility of, not refunding the money of those who paid in for 1971, but simply excusing the money owed by those who did not pay in 1971. I want to ask the minister whether this would be acceptable and whether further legislation will be brought in along this line. In other words, if it is just and humane to recognize the religious freedom of minority groups after January 1, 1972, why is it not just and humane to recognize it before that date?

Mr. Lalonde: I thank the hon. member for his question. He asks why January 1, 1972. It is because we have to set some date at some stage. With regard to the possibility of the amendment which the hon. member has raised, I would like to discuss this with my colleague, the Minister of National Revenue (Mr. Stanbury), who is responsible for collecting the contributions. When this matter is discussed in the standing committee, I will be in a position to

answer in more detail the point raised by the hon. member.

[*Translation*]

Mr. Leblanc (Laurier): Mr. Speaker, on clause 7, the minister said that the Auditor General has been designated now in the same way as provided in the Unemployment Insurance Act. Could the minister inform us who was previously responsible for auditing the Canada Pension Plan Account?

Mr. Lalonde: Mr. Speaker, I understand that until now the Auditor General audited the statements of the Canada Pension Plan, even though there is no specific provision in the law providing such an audit by the Auditor General and he had raised the matter in his report to the Standing Committee of PUblic Accounts. Indeed, after that request by the Auditor General, we included in the bill a provision providing that in any case he would have the responsibility for that audit even though the practice followed until now has been consistent with the content of the bill.

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Horner (Crowfoot): On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

* * *

RESIDENTIAL MORTGAGE FINANCING BILL

ESTABLISHMENT OF CORPORATION, RECOGNITION OF SPECIALIZED MORTGAGE INVESTMENT COMPANIES UNDER LOAN COMPANIES ACT AND TAX TREATMENT

The House resumed, from Tuesday, June 12, consideration of the motion of Mr. Basford that Bill C-135, to provide additional financial mechanisms and institutions for the residential mortgage market in Canada, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Don Blenkarn (Peel South): Mr. Speaker, this bill was last before the House on June 12. Referring to the attitude of the party to my left concerning this important piece of legislation, I was saying how clear it is that that party has no ability to understand the mechanics of mortgage financing. Since this bill was last before us, that party had a convention in Vancouver at which time they suddenly decided that no one should pay more than 6 per cent interest on his mortgage. They were going to reduce the interest rate on everyone's mortgage to 6 per cent. I was very intrigued by that; I thought it was lovely. But, I wondered why they did not decide to reduce it to 4 per cent, 2 per cent or zero. Unfortunately, there are financial facts of life. This bill attempts to deal with some of them.

While I am not particularly pleased with some of the drafting of the bill and some of the details, especially in connection with the corporation which I understand will have in the neighbourhood of 10 directors, I am pleased the minister has finally decided to recognize some financial facts of life and make mortgage money more mobile. By making it more mobile, it will be more available and more competitive, thus reducing the cost of mortgage money.

Since this bill was last before the House, interest rates have risen from 8¾ per cent to 10, 11 and 12 per cent on first mortgage financing. Before coming to this House, I had a great deal to do with the mortgage business. I am shocked when I find that leading trust companies in this nation are refusing to lend money at 10½ per cent, 10¾ per cent and more. Part of the problem is that this government has not seen fit to ensure that interest rates in this country are governed by this country and not by international demand. We in this party have spoken on this subject on a number of occasions. Be that as it may, this bill does not have anything to do with the level of interest rates. The objective of the bill is to ensure that mortgage money is available in the market place.

I am particularly pleased with the suggestion in the bill that approved mortgage investment corporations will be able to pass the income received from their portfolio directly to their shareholders, either as an interest taxable dividend or as a capital gains dividend. This whole concept of "pass through" is essential in the mortgage industry. The present corporate law discriminates and makes difficult the acquisition and collection of funds behind the screen of limited companies because corporations must first pay the corporate tax rate of 50 per cent and, when they make their distribution to their investors, the investors must pay further income tax. The effect of the "pass through" provision in this bill means that an investor will only pay one tax, not two. There will not be a corporate tax plus a further tax on distribution, but one tax payable by the investor on the distribution to him if the distribution is made within 90 days from the year end of the corporation. If, on the other hand, the company elects to make the distribution at a later time, there will be corporate tax, but the dividend will be treated as a capital gains dividend and subject to taxation on the basis of a capital gain rather than on the basis of a regular dividend.

● (1600)

It is imperative in this country that institutions be established to collect small pots of money, and put these small pots of money together in order that the mortgage industry can carry on with projects, making advances and loans. One of the consistent problems has been that an individual going into the business has been subject to rather heavy corporate and personal tax, with the end result that many who would otherwise have gone into the mortgage field have directed their money toward other forms of speculation, and I refer particularly to land speculation. It is imperative that money be collected in order that it can be lent to people who want to build homes. As I said earlier on June 12, as a young man I used to travel to the Capreol-Sudbury area where, as in many

other areas in Canada, there was no facility for the ordinary guy to get a loan to build a home, so he had to go to the finance companies.

What this parliament is doing is creating the mechanism whereby savings can be accumulated and not subject to a horrendous tax, but subject only to the regular income tax, as should be the case. This money can be collected by a corporate entity and lent on the market at a realistic rate. It is competition that determines the rate of interest, except under circumstances where this government creates artificial interest rates in order to take care of international problems. Really within Canada it is competition that determines the rate, and one of the advantages of this bill is that it increases competition possibilities in the mortgage field.

This bill also makes it possible, without the horrible burden of corporate tax, for investors to pool their resources, each paying personal income tax on the profits, but without being stuck for both corporate tax and personal tax. It makes it possible for them to pay corporate tax but to avoid being almost raped when they pay a regular dividend, or pay a capital gains type dividend, and thus are induced to go into the field.

I commend the minister for bringing this bill forward. As I said, I am not pleased with some of the drafting, as I am not pleased with the obtuse way in which draftmanship is sometimes carried out in this country. This matter has been referred to earlier in the session by the hon. member for Winnipeg North Centre (Mr. Knowles), and I do not intend at this time to offer less obtuse drafting, but surely somewhere along the line it should be the obligation of those who draft statutes for us and for the public to read, to draft them in such a way that they need not be read 10 or 12 times before determining what they mean.

The principle and the concept of the bill are good and I cannot for the life of me understand why those in the party to my left object to it. Surely, their only objection could be that somebody is going to go into the business of lending people money. If they have any intention of trying to drive down mortgage rates, surely they should stand up and be counted as saying: Yes, let's get on with it and do something for the ordinary people of Canada. Members of that party do not understand what they are doing, so they simply say that because this is a business statute they cannot possibly support it, therefore they speak on and on against it. Would it not be terrible if the management of this country were entrusted to people with such a lack of sense and a lack of financial intuitiveness.

I commend the minister for introducing this bill. I hope it passes in a hurry, moves on to the committee where the drafting can be cleaned up a bit and we can pass it into law.

Mr. John Gilbert (Broadview): Mr. Speaker, hon. members of the NDP will not support the provisions of Bill C-135. I am sure the Minister of State for Urban Affairs (Mr. Basford) finds it very awkward to be in the same bed with the hon. member for Peel South (Mr. Blenkarn).

An hon. Member: It is a king size bed.

Mr. Gilbert: After all the progressive ideas the minister has spouted from time to time he now finds himself in the same bed with that hon. member for Peel South, and I am sure he must find it uncomfortable.

The bill does nothing to help the average Canadian purchase a home at a reasonable cost.

Mr. Blenkarn: Except to reduce the interest rate.

Mr. Gilbert: On the contrary, it imposes a financial hardship which is both cruel and unconscienable. The bill sets forth the philosophy of the Liberal and Conservative parties, that they regard housing as a commodity for profit, the amount of which is to be determined by the free play of market forces, with no regard to reducing the cost of mortgage financing for housing. In other words, it puts profit before people.

We in the NDP reiterate our philosophy that all Canadians are entitled to clean, warm shelter at a reasonable cost as a matter of basic human right. The philosophy of the Liberal and Conservative parties is to make this bill attractive in order to enhance mortgage investment. We in the NDP accept our responsibility to provide adequate housing at reasonable cost.

The two main items or factors in respect of the high cost of housing today are the high cost of land and the high cost of mortgage money. I am sure there will be no quarrel, even from the hon. member for Peel South, in respect of that analysis. When we look at the high cost of land we find that the government has introduced Bill C-133 in an attempt to find a solution to this problem. It has set aside $100 million each year for the next five years for the purchase of land to set up a land bank. Just a short while after the passage of that bill, the minister stated that the provinces and municipalities were not taking advantage of the provisions of that bill. This is very disappointing, and I guess it behooves the minister and members of this House to persuade the provinces and municipalities to take advantage of those provisions.

The hon. member for Peel South pointed out that mortgage interest rates have increased in the last while from 8¾ per cent to 10 per cent, 10½ per cent and 11 per cent. One wonders just where it will stop, but I guess there is no limit to the greed and avarice of investors in this country.

Who will gain as a result of the passage of the provisions of Bill C-135? Will it be the average Canadian worker who wants to buy a home?

Some hon. Members: Absolutely.

Mr. Gilbert: Will it be the average Canadian who wants to marry and establish a home who will gain by these provisions? I suggest that is not the case. With the interest rates we will have, we will be making it impossible for the average person to buy a home. The minister set forth the situation in his statement of February 1, 1973 when he said:

> The effectiveness of the new financial mechanisms in generating new sources of residential mortgage funds will obviously depend on the degree to which private investors respond to them. During the development of these provisions, therefore, consultations were held with the financial community to ensure that the mechanisms were fully appropriate and would be effective in meeting their designed purpose. In addition, the research group that worked on the proposals included a number of experts from the financial community.

• (1610)

It is obvious to whom they went for advice. Did they go to the average working person and ask, what is the best way of setting up mortgage financing so houses can be bought at reasonable cost? No. They went to investors and to the financial community and asked what they could do to assist in making mortgage financing more attractive to them. This bill incorporates all of the ideas passed on to them by the financial community.

On Thursday of last week and on Monday of this week we had a debate on inflation and the high cost of living. The three main factors in that area have been the high cost of food, the high cost of clothing and the high cost of housing. Housing has ranked number one. Housing has been the foremost item in the cost of living and inflation. Is it any wonder that one hesitates to review the sad history of the Liberal government with regard to housing? Since 1965 when I came here, the whole philosophy of this government has been to treat housing as an economic valve, turning the tap on and then turning it off in accordance with the economic conditions of the day. As a result, we have had an increase in housing starts, then a shortfall, then an increase, then another shortfall, and the net result has been a shortage of housing at reasonable cost for the average Canadian.

May I remind the House of the lengths to which the Liberal government went in order to lift the rate of interest charged by banks? I remember the arguments of the then minister of finance, who said that if the 6 per cent ceiling were lifted money would flow into the market and there would be competition. As a result the rates would be as low, if not lower. What we have seen is mortgage interest rates rise from 6 per cent to 10 or 11 per cent. I would remind the House also that when the rate was at 6 per cent the banks refused to accept their social responsibility for housing and to put any money into housing. In the result the government was forced to take off the 6 per cent ceiling. The same government has also changed the maturity terms of NHA mortgages. At one time a person had the assurance that his mortgage would run for 20 or 25 years. Then, the financial boys persuaded the government to change the maturity term to five years. In sophisticated financial parlance, this was called the roll-over theory.

They then yielded to pressure to change the formula for setting rates for NHA mortgages through CMHC when related to the yield on bonds. I remember the hon. member for Trinity (Mr. Hellyer) telling me in committee that when that formula was lifted he foresaw a flow of money into the market and a downtrend in interest rates. How wrong he was, and how irresponsible was that statement. The Liberal government has placed total reliance on private builders and investors, and has fallen far short of its own responsibility for housing.

Another sad commentary about the Liberal government concerns the tax concessions the government has given to land developers across this country. In my speech on Bill C-133, I indicated how land developing companies, not only in Toronto, Winnipeg and Vancouver but right across the country, had gained control of land in the major cores and were selling it at unconscionable prices. The government assists them in this by giving them special tax concessions related to the application of interest rates related to their land purchases and fast write-offs. Is it any wonder that the people of Canada have lost confidence in this government's attempts to solve the housing crisis? Having seen what has been done, mortgage investors are asking for even more. That is their philosophy. Though we are experiencing the highest cost of housing in Canada, the highest mortgage interest rates and the highest cost of land, they want even more money. Their demand is for more and the government has yielded to them.

We have five major criticisms of this bill. The first is that Bill C-135 provides for the supply and control of mortgage funds for residential housing to be determined by the free play of market forces. The Federal Mortgage Exchange Corporation will not attempt direct mortgage market intervention with the aim of stabilizing either the price or the supply of mortgage funds. Those are the words the minister used in his speech. This means we will have more of the same—higher interest rates and increased housing costs. The minister sits silently by and says the government will not interfere with the free play of market forces.

We in the New Democratic Party say that the federal government must assume responsibility for a strong and adequate supply of mortgage funds. It must determine with the provinces our housing requirements, set annual targets and obtain firm commitments from financial institutions to meet those housing needs. It is only when we take that approach that we will see a downtrend in the cost of housing and mortgage interest rates.

Second, Bill C-135 aims to enhance the attractiveness of mortgage investment on the part of financial institutions and pension funds. The purpose of the bill should be to reduce to the minimum the cost of mortgage financing for housing purposes. The tax advantage given to shareholders participating in mortgage investment corporations, together with the determination to enhance the attractiveness of mortgages, will tend to enrich the shareholders at the expense of home buyers.

I could not help but smile at the tears that were shed by the hon. member for Peel South when he referred to the rape taking place of the investors of this country. Is he not concerned for the people who are buying homes? Is his interest directed to the mortgage investor rather than to those people in Canada who want to buy homes? The theme he sang to the minister of state in charge of housing was that something must be done for the poor mortgage investors because they were being raped. He has his parties mixed. The person who is raping is the mortgage investor; the person who is being raped is the one who is buying the house or hoping to buy it. But I imagine that his statement fits within the philosophy of both the Liberal party and the Conservative party in this respect.

• (1620)

The third reason we criticize this bill is that the setting up of the mortgage investment companies under Bill C-135 will not ensure that adequate mortgage funds will be made available both for new and existing dwellings in rural areas. One does not have to come from the Maritimes to be aware of the shortage of funds for housing that prevails in the Maritimes and Newfoundland. In this bill,

the setting up of the companies does nothing to ensure that an adequate supply of the moneys that are collected will be applied to rural housing. The hon. member for Peel South shed tears for people in northern Ontario, and spoke about the problems which they had in obtaining mortgage money for the purchase of a house. I agree with him and I might add that this situation applies not only to people in northern Ontario but also to people in Quebec and the Maritimes. The way to solve that problem is by making sure that the mortgage investment companies provide an adequate amount of money for new and existing dwellings in rural areas. Falling short of that, this bill is totally hopeless.

The fourth reason we oppose the bill is the fact that the mortgage investment companies would not meet the housing needs in areas of regional disparity. Again, it is areas such as Quebec, the Maritimes, Newfoundland and parts of Ontario which need those moneys. There is no assurance that those moneys will flow to these areas. The government must ensure an adequate regional distribution of mortgage funds within the over-all national allotment. If we are to permit the mortgage investment companies to distribute funds on a national basis, they will do it in the areas where the investment is most attractive. They will not touch areas, such as some of the rural areas in Quebec, the Maritimes and Ontario where people will be denied the mortgage moneys which should be allotted to them.

The fifth reason is that the mortgage investment companies will not help the special housing needs of Canada's Indian, Eskimo and Metis people. On the news this morning, I heard that a representative of the Indian people appeared yesterday before the Minister of State for Urban Affairs (Mr. Basford) and made a special plea with regard to the housing needs of the Indian people across the country. He painted a very sad picture of some of the houses in which these people live. I am sure that the Minister of Indian Affairs and Northern Development (Mr. Chrétien) could reiterate what the hon. member said yesterday concerning the living conditions of Indians across the country. But Bill C-135 does nothing to help these people. The minister might glibly say that help was given them under Bill C-133. The token moneys under the provisions set down in Bill C-133 do not begin to meet the special needs of the Indian, Eskimo and Métis people. To depend on mortgage investment companies to make any allotment of the moneys that they collect to these special groups is really doing them an injustice and a disservice. I hope that the Minister of Indian Affairs and Northern Development will use his good offices to persuade the Minister of State for Urban Affairs to ensure the allotment of moneys by mortgage investment companies to these special groups.

The sixth criticism that we have is that the mortgage investment companies will do little or nothing to assist the middle or low income people who do not qualify under AHOP, which is the Assisted Home Ownership Program, or RRAP, which is the Residential Rehabilitation Assistance Program, to buy or to rehabilitate and repair these homes. We will have a group of people who do not qualify under Bill C-133 and who will not receive any of the benefits under Bill C-135. It seems to me to be a hardship and a cruel hoax to tell people that their mortgage financing will be improved when people in these special groups are not taken care of.

The eighth criticism is that the mortgate investment companies will be authorized to make residential and non-residential estate debt in equity investments. What does that mean? It means that not only must they invest in homes but they can invest in non-residential real estate, in other words in office buildings. One does not have to be an expert in the mortgage investment field to know that they will participate to a large extent in investment in the new office buildings that have been erected and the reason is the attractiveness of the high return on investment in office buildings, far higher than on houses. If there is one reason that this bill should be thrown aside it is this particular provision permitting these companies to invest in non-residential real estate.

I was rather proud and pleased when the hon. member for Peel South said that the NDP had a convention in Vancouver a short while ago and at that convention we set forth our philosophy and our objectives. We said that every Canadian is entitled to clean, warm shelter at a reasonable cost as a basic human right. We say that the financial institutions of this country have a social responsibility when they collect funds from Canadians to see that those Canadians are properly housed. Therefore, we would impose upon the financial institutions across the country an allocation of the moneys that they receive to cover the national housing commitments in this country, and the commitments can best be devised and set forth by the different provinces and municipalities and then conveyed to the Minister of State for Urban Affairs.

We did say that interest rates on mortgages across Canada should be 6 per cent. The hon. member for Peel South said that perhaps we should have said that they should be 4 per cent or 2 per cent. If members of the Conservative party and the Liberal party would agree to changing the interest rates on mortgages in Canada and setting them at 4 per cent or at 2 per cent, they will get the full support of the NDP. When we talk about 6 per cent, even we in the NDP feel uneasy about that interest rate. When I started in the practice of law about 20 years ago I can recall interest rates being at 4 per cent and 5 per cent. There has been a gradual acceleration until now when interest rates are probably the highest that are paid throughout the western world. It is not something of which we Canadians should be proud.

● (1630)

When I heard the hon. member for Peel South saying that mortgage investments must be mobile and more flexible so that they may become more competitive, he reminded me of the arguments I heard in the past, from Liberals and Conservatives, when changes were made. All this does is increase the competition among the financial institutions. It does nothing to reduce the cost of mortgage financing. Surely, that should be the aim and the desire of all Canadians.

We should be demonstrating our concern with respect to housing. There should not be greed and avarice with regard to mortgage investments. I hope that the consciences of all members and all Canadians have been struck by what I have said that housing should be on an

equal basis with education and health care. To deprive a Canadian of the basic necessity of housing is to deprive him of a main element in life. I hope that the minister in charge of housing will rethink this bill and introduce legislation which will reflect federal responsibility in the field of housing. I hope he will direct that the moneys of Canadians will be used, at the lowest possible interest rate, to meet our housing needs.

Mr. Basford: On a point of order, Mr. Speaker, may I record that I believe there has been some discussion through the usual channels to the effect that if by chance, and only if, I had the opportunity of closing the debate this evening the taking of the vote would be deferred until the first order of business immediately after orders of the day tomorrow. I repeat that I believe that is the understanding through the usual channels, and I emphasize that it is only if I were to obtain the opportunity to close the debate tonight.

Mr. Deputy Speaker: Is it agreed that if there is to be a recorded division that it would take place immediately after orders of the day are called tomorrow?

Some hon. Members: Agreed.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, when listening to the speeches of the two members who spoke before me, we realize that the government is really in good hands. At one time, the members of the New Democratic Party submit to the minority government orders, at another time it is the Progressive Conservatives when they see that the New Democrats cannot do it. In any event, we can see that the situation has changed and this is probably conforting for the party in power.

When studying the explanatory notes of Bill C-135 we find that the main provision of this bill is intended to raise funds in sufficient quantities to grant mortgage loans to build family dwellings.

It would seem that what has been lacking in recent years is not so much the funds for new housing as the solvency of borrowers. We realize that the cost of both housing and living has been continuously increasing for several years. The price of materials has been rising steadily and we have reached a point where in most cases only a few wage earners can afford to borrow the necessary cash to build or buy a comfortable house, a house that meets the needs of their families. As a matter of fact, being unable to find a decent home we must limit the size of the family in order to house it in the small houses we have to build nowadays.

The main purpose of this bill is to gather the funds existing in private portfolios here and there in order to obtain a sufficient amount so that borrowers can be provided with the money they need.

At the present time, I am under the impression, unless there has recently been a change, that the funds offered by chartered banks, insurance companies or other lenders are not lacking. There seems to be enough, especially since the chartered banks are now interested in mortgage loans. We have come back to this system, especially since the amendment to the Bank Act was passed in 1966. At that time, I remember very well that our leader, the hon. member for Témiscamingue (Mr. Caouette), kept saying that this amendment would allow chartered banks to lend approximately $4 billion more without having a penny more in their reserves; that was a nice gift for the chartered banks.

The report for 1967 revealed that the chartered banks then got interested in mortgage loans, and that in 1967 alone, they lent $1.023 billion for the construction of houses. In short it was part of the new credit which the government at the time, under the new Bank Act, had allowed them to create and which they had made available to borrowers at the prevailing rate.

Since then, it has been realized that when the borrower could prove his solvency, it was not too difficult for him to obtain the necessary mortgage to build a house. However, what is still more important is that Bill C-133, which was implemented a few weeks ago, while enabling low wage earners to obtain loans, does not perhaps allow them to become really the owners of their house, but they are at least in the process of becoming so.

It is often said that one's automobile belongs to the finance company. Now in many cases, we live in a house standing in our name but which also belongs to a lending company. And when one undertakes to reimburse a mortage over a period of 25, 30 or 35 years, it means a whole working life. As it is difficult to get a mortage loan before the age of 25, it will be retirement age when the mortage is reimbursed.

During a whole working life, it is difficult not to have bad luck at one moment or another, owing to either work stoppage or illness. Then it becomes rather difficult and annoying for the head of a family to be forced, during a whole working life, to reimburse the price of three or four houses to own only one. Thus, it would be important to find a means of reducing the interest rate.

I was listening a few moments ago to a discussion between the hon. member for Peel South (Mr. Blenkarn) and the hon. member for Broadview (Mr. Gilbert). One of them proposed an interest rate not over 6 per cent, whereas the other mentioned he should have proposed a much lower rate. As far as I am concerned, I can assert that the Social Credit, of which I have been a member for a long time, recommends the establishment of a rather low interest rate in order to enable the borrower to become owner of his house in a reasonable period of time, without having to pay for two or three houses to chartered banks or insurance companies. If we really stop to think out this housing problem, Mr. Speaker, we will find a solution.

● (1640)

There is another issue which surfaces once in a while. I should like to take this opportunity to mention it to Parliament and to the government: it is the 11 per cent federal sales tax on building materials and the 8 per cent provincial tax, in the province of Quebec, which is added on to the federal tax. This means that in Quebec, there is a tax on federal taxes. For instance, in the province of Quebec, the two levels of government collect between 21 and 22 per cent in taxes on all building materials. This is really too much, Mr. Speaker, and it is very costly, in taxes alone, to become a homeowner.

I am going to give an example. In 1965—this is an example that I do not make light of—I bought 1,000 feet of lumber—1,000 feet of board—that were then sold $80 for 1,000 feet. Add to that the 11 per cent federal sales tax and you pay $8.80 more, plus the 8 per cent provincial sale tax, that is $7.10, which comes to a total of $15.90 in taxes for 1,000 feet of lumber in 1965.

Hardly two weeks ago, I bought some lumber from the same supplier. I paid $185 for 1,000 feet; this is a considerable increase. Yet, the federal tax on lumber and the provincial tax have not increased; they remained respectively at 11 and 8 per cent. But in adding, I found that in order to buy 1,000 feet of lumber, it is not $8.80 but $20.35 that I had to pay for the federal tax of 11 per cent. And the provincial tax amounted to $16.40, which means that instead of paying $15.90 for 1,000 feet of lumber bought in 1965, the cost is now $36.75. That is quite an increase in taxes: they have more than doubled in a few years only. The taxes our governments collect on housing are very costly and increase its cost considerably.

Once again I insist, on behalf of my party and Canadian families, in short, on behalf of all Canadian taxpayers, that the government completely abolish that 11 per cent tax which in fact is a hold-up, a highway robbery where Canadian families are concerned.

Borrowers who want to buy a house get a mortgage for 25, 30 or 35 years; they pay interest at 10 or 10½ per cent. In fact, they will be paying interest for 25, 30 or 35 years on the 11 or 8 per cent tax levied by our governments. This, Mr. Speaker, adds considerably to the housing cost increase.

Today, we know that low income families can benefit from certain advantages, under certain conditions; we also know that when we buy of house of let us say 1,200 square feet for $14,000 or $15,000, we do not get the same quality as we would get for a house of the same dimensions but costing $24,000 or $25,000. That stands to reason. However, because of his limited ability to pay, a man in the low income bracket must be satisfied with a cheap and not so comfortable house.

A while ago, I was listening to my New Democratic Party colleague's violent attack against profit-seeking lenders whom this bill aims at exempting from income tax payment.

At a given moment, it crossed my mind that, carrying out his philosophy and that of his party to its bitter end, he would suggest setting up a house building corporation to prevent contractors building dwellings within cities and elsewhere from making profits. I suppose that all contractors in the small northern towns of Amos, La Sarre, Rouyn and Val-d'Or as well as those in Montreal, Toronto and Ottawa want indeed to make profits.

And I was surprised to hear the hon. member for Broadview urging the government to establish a Crown corporation to prevent construction companies from making profits.

So, Mr. Speaker, the idea of channeling private capital already available from various sources will, I think, though I am not sure, lead to competitive mortgages. Maybe we should hope for mortgages at a lower rate of interest than the one we have now.

[Mr. Laprise.]

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, members of the New Democratic Party will vote against this bill because we consider it to be simply a vehicle which endangers the system of trying to meet the housing needs of the people of Canada without making the fundamental changes necessary if we are to get control of the financial resources required to provide the housing that the people need.

Before going into the reasons for our opposition to this bill and what I think should be in the bill if it is to meet the needs of the people of Canada, I want to say a few words about the speech made a little while ago by the hon. member for Peel South (Mr. Blenkarn). In the last ten days we have had at least three days of discussion initiated by members of the official opposition to deal with the increased cost of living. We have heard repeatedly inside and outside the House simplistic calls by members of the official opposition for wage and price controls which, supposedly, would stop living costs from increasing rapidly. As my colleague, the hon. member for Broadview (Mr. Gilbert) said a few moments ago, one of the most significant reasons for the increase in the cost of living has to do with the sharp increase in the cost of housing, either owned or rented by citizens of this country. So, to say the least, I was astounded by the tears shed by the hon. member for Peel South on behalf of the poor people who invest their money in the lending institutions of the country, institutions from which most people who want to buy a house must borrow or obtain a mortgage.

● (1650)

In case the hon. member for Peel South thinks I am exaggerating, let me tell him that the figures I am about to put on the record all come from the financial pages of that radical newspaper which appears in his area, the *Globe and Mail*. On September 15, a few days ago, the *Globe and Mail* carried an article summarizing what has happened to the profits of Canadian banks, which are a major source of money in the mortgage field. According to the article, the profits of the Royal Bank of Canada in 1972 rose over profits in 1971 by 13.9 per cent. I shall be referring to the third quarter of each year, Mr. Speaker. In 1973, the bank's profits rose over those of 1972 by 27.8 per cent. The profits of the Canadian Bank of Commerce in 1972 rose by 17.7 per cent over 1971 profits. In 1973, their profits over 1972 increased by 23.1 per cent. The profits of the Bank of Montreal in the third quarter of 1972 increased by 18.3 per cent over that bank's 1971 profits for the same period. In 1973, that bank's profits, over the same period in 1972, increased by 45.4 per cent. The average profit increase for all banks in Canada for the third quarter of 1973, over the third quarter in 1972, was 31.9 per cent.

The banks are not the only institutions from which people who want to buy houses borrow money. If one looks at the *Globe and Mail* for June 29, one will see an article which summarizes what has happened in the first quarter of 1973 as compared with the corresponding period in 1972. One will see that the profits of trust and loan companies increased by 14.2 per cent in that period. One will also see that the profits of real estate companies increased by a small amount, 125.8 per cent. And these are the people about whom the hon. member for Peel South is

worried. I cannot worry about them. I worry about the people who have a need for and want to buy houses.

Mr. Blenkarn: On a point of order, Mr. Speaker, although I do not mind being referred to in speeches, I hate to hear my remarks misrepresented. I did not come to the defence of the banks—I never did—in what I had to say this afternoon. The hon. member is clearly misrepresenting my remarks. This affects my privileges as a member of this House, and misrepresents to this House the position of my party. Further, those remarks have nothing to do with this bill. I think the matter must be corrected on the record. My party and I have no intention of protecting any companies, in the way the hon. member suggests. What we are trying to do is to make it easier for people to enter the mortgage business, and to cut interest rates.

Mr. Speaker: Order, please. That is a point of debate. The hon. member had an opportunity to express his views and another hon. member who has the floor has expressed his views. The hon. member for Peel South may feel that his views have been misrepresented, but he cannot correct them in the way he has tried, by way of a point of order. Standing Order 37 provides that when this matter comes before the House later, the hon. member may take the floor a second time to explain what he said and correct the record; but he cannot do that by way of point of order.

Mr. Orlikow: Mr. Speaker, I submit that the point raised by the hon. member for Peel South was not a point of order, as Your Honour said, and was a spurious point, to say the least. We are discussing Bill C-135, an act to provide additional financing mechanisms and institutions for the residential mortgage market in Canada. I suggest to the hon. member for Peel South that the lending institutions of this country which provide the bulk of money for residential mortgages are doing very well and do not need the kind of defence which the hon. member for Peel South has advanced on their behalf. It was precisely for that reason that I put on record the kinds of profits which they have been making. They made them legitimately; I do not suggest for a moment that what they did was illegal or improper. It is precisely because we think that the bill we are discussing will enable them to make larger profits that we oppose this bill. That is why I put on record the financial positions of these institutions. Let there be no misunderstanding as to who needs protecting from whom.

The problem of providing adequate housing for Canadians is not new and has been with us for many years. Other members of the New Democratic Party who have spoken in this debate have raised something which warrants repeating. It was when the hon. member for Trinity (Mr. Hellyer), who now sits on the front benches of the Conservative Party, was the minister in charge of housing for the Liberal government in 1969 that parliament agreed to his suggestion to lift the 6 per cent limit on residential mortgages. May I call it five o'clock, Mr. Speaker?

Electoral Boundaries Readjustment

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for York-Sunbury (Mr. Howie)—Highways—Proposed road from Maine through New Brunswick to Quebec—Investigation of feasibility; the hon. member for Central Nova (Mr. MacKay)—Regional economic expansion—Nova Scotia—New initiatives in light of resignation of provincial Minister of Development; the hon. member for Nickel Belt (Mr. Rodriguez)—Regional Economic Expansion—Date of tabling of program for Northern Ontario—Hiring of personnel for northern Ontario offices.

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

Mr. Reid: On a point of order, Mr. Speaker, I think there would be agreement to considering order No. 159, Bill C-222, standing in the name of the hon. member for Peel South (Mr. Blenkarn). This bill seeks to change the name of the hon. member's constituency. I think there is agreement to put it through all stages today. When that is completed we would return to the private members' bill standing in the name of the hon. member for Dartmouth-Halifax East (Mr. Forrestall).

The Acting Speaker (Mr. Laniel): Is this agreed?

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

CHANGE IN NAME OF CONSTITUENCY FROM PEEL SOUTH TO MISSISSAUGA

Mr. Don Blenkarn (Peel South) moved that Bill C-222, respecting the Electoral Boundaries Readjustment Act, be read the second time and referred to the Standing Committee on Privileges and Elections.

The Acting Speaker (Mr. Laniel): Is it the pleasure of the House to adopt the said motion?

● (1700)

Mr. Bill Knight (Assiniboia): Mr. Speaker, there have been a number of occasions when members have introduced bills to change the names of their constituencies. For example, the hon. member for Waterloo-Cambridge (Mr. Saltsman) had the name of his constituency changed

from Waterloo to Waterloo-Cambridge. This will indicate that I do not make these remarks in a partisan way.

Having to move bills in private members' hour is a deplorable way of having to change the names of constituencies. This results in taking time from the private members hour. It appears this time the matter will be handled quickly. The last time we dealt with such a motion, it took much longer.

Members must use private members hour to change the names of their constituencies when we should be dealing with bills such as those of the hon. member for Dartmouth-Halifax East (Mr. Forrestall) and the hon. member for Cochrane (Mr. Stewart) which are changes in substance related to the needs of this country. Although the hon. member for Peel South (Mr. Blenkarn) has a legitimate reason for changing the name of his constituency, it is ridiculous that members must use the time allotted for private members hour for this purpose.

Mr. Reid: Mr. Speaker, I think there would be agreement to take the bill through all stages, including committee of the whole and third reading.

The Acting Speaker (Mr. Laniel): Does the House give consent to allow the change to be made to the motion so that it may be referred to a committee of the whole?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

* * *

FEDERAL TRANSPORT COMMISSION OF INQUIRY ACT

MEASURE TO ESTABLISH COMMISSION

On the order:

January 15, 1973—Second reading and reference to the Standing Committee on Transport and Communications of Bill C-33, An Act to provide for the constitution of a Federal Transport Commission of Inquiry (impartial investigation of transport accidents)—Mr. Forrestall.

The Acting Speaker (Mr. Laniel): Some hon. members, including the hon. member for Dartmouth-Halifax East (Mr. Forrestall), know the Chair has some reservation about the acceptability of this bill. At first glance, it is the impression of the Chair that this bill seems to infringe upon the financial initiative of the Crown. I do not wish to prevent hon. members making points in defence of the acceptability of this bill. I invite hon. members to assist the Chair in its decision.

Mr. Forrestall: Mr. Speaker, without calling into question the very real problems which cause the Chair to have some reservation about this and other bills that come before this parliament, may I be permitted to make the observation that this bill, like a number of others, has been on the order paper for this and the two previous parliaments.

In most cases where the matter is dealt with, the urgency of proposing bills which attempt to infringe is, from the private member's point of view, clear. Impairment of the

initiative of the treasury benches to raise and dispense public funds is not really an issue in this bill. Indeed, the substantive matter of the bill in terms of the ability of the government to raise and expend funds is not involved. In fact, there is no additional expenditure apart from the salaries of the five-man commission.

I find it very difficult to argue the merits of that particular part of the bill. However, I would argue that in recent years conflicts have arisen in the area of general transportation in Canada, particularly aviation, seaborne traffic, transcontinental trains and interprovincial trucking. In recent years, there have been conflicts in a very real sense in interprovincial pipeline transportation. The bill is directed to this concern rather than any initiative of the government with regard to raising money. That is the argument I intend to make in the next few minutes rather than try to argue the merits of a particular clause which, I must confess, I would find difficult to argue with the Chair. If the Chair wishes to entertain other comments on this point, I would be prepared to accede to other hon. members for that purpose.

Following that, I would like to suggest to Your Honour the degree of concern I have with regard to all forms of transportation in Canada. Rather than take liberty with the initiatives of the treasury benches, I would like to bring before this chamber and the country the concern I have in relation to what I consider to be a very urgent matter.

● (1710)

The bill flows from a concern that a conflict of interest could arise when an investigative body is charged in a statutory way with the responsibility for investigating accidents in the transportation field in respect of which it has some regulatory authority. It is this concern I offer as an argument in favour of allowing this brief debate this afternoon. There are other arguments one could use for or against the suggestion that the provisions of this bill might impair the right, prerogative or the ability of the treasury benches to raise money. I can only plead once again that we should be given the opportunity to discuss this matter without getting into the question of the salaries of those on the commission. A failure to accept the very general argument would preclude in a very serious way members of this Chamber from dealing with matters of urgency and great concern.

Your Honour is quite familiar with the citations in Beauchesne's which refer to the right of all of us to be heard. When that right is precluded by any technical argument, I find it difficult to argue in a general way, because that is a fatal argument which does not in my opinion relate to the substantive situation with which we are now faced. The urgency of this matter is very clear in a statistical way. The increase in the number of accidents in this country is creating an international concern which Canada is not presenting to the international transportation community, yet there is a positive indication that accidents in this country could be investigated without any threat of a conflict of interest.

From time to time governments are not prepared to recognize that ministries are fallible, or in fact that they do make errors. They often do not recognize the important

results that could flow from motions put before the House by members from both sides. If we fail to recognize that fact in respect of the private members' hour I think we not only do a disservice to this Chamber, we impair in the strictest sense the interpretation of the rules and prerogatives of the Crown in respect of raising and spending money.

A close examination of the bill would indicate a proposed transfer of professional expertise from the ministry of transport to an independent commission which would, in turn, report to another level of government. It could be argued that this commission would in fact not spend an additional five cents. If the bill in its present form is imperfect or is lacking in a technical sense because of the rules of this House, I am sure that we would be only too pleased to accept any appropriate change.

What we are pleading for is an opportunity to speak publicly to Canadians in respect of the transportation industry, while at the same time speaking to members of the treasury benches and our colleagues in the House. I suggest there is a sense of urgency because we have such accidents as the dramatic and tragic one that occurred near Wabush not so many months ago. I suggest this accident was the result of an error situation. The investigation of this accident indicated that there was an internal error. The difficulty involved is that the regulatory body charged with the responsibility for investigating the accident might be said to be encumbered by a real possibility of a conflict of interest. Even if that conflict of interest was imaginative, I suggest our attempt to discuss this matter this afternoon is fully justified. The number of deaths in air accidents in recent years has been on the increase, just as the number of deaths has increased in respect of railway accidents and accidents involving buses and trucks engaged in interprovincial commerce. In 1971, for instance, there were 1,100 accidents involving vehicles engaged in interprovincial transportation.

What we are attempting to do is restore not only national but international confidence in the manner in which we investigate transportation accidents in Canada. We cannot continue much longer to convince ourselves that there is not a distinct possibility of a conflict of interest. If we continue to do so, instead of being in the vanguard of transportation modes in the world we will find ourselves very far behind. The United States and Great Britain have already moved in this direction, while France and Australia are presently deeply involved in the overhaul of their system of transportation accident investigation procedures. They are doing this, as I would, not with the knowledge that a conflict of interest exists, but with the knowledge that there is the possibility of a whitewash being attempted. I am not suggesting this is the case, as we have one of the finest investigative systems in the world.

My bill does not attempt to raise money, it attempts to redirect the structure of the instruments and tools of investigative procedures. These instruments and tools already exist, so I am not proposing the raising of money for that purpose. Indeed, it is quite possible that such a commission as I envisage could well come from the accident investigations branch, the steamship accident investigations branch, or other similar areas. I do not envisage the raising or the spending of money for this purpose, but rather the reallocation of money in a way which would preclude forever in the minds of all those interested in transportation the possibility of a conflict of interest.

I need not remind hon. members of this House of the great difficulties that can arise when a conflict of interest seems to be present in a number of given situations. This is not fair to the men who conduct these investigations, and it is hardly fair to the department. Indeed, for several years I have wondered why the department has not brought forward a bill for consideration by this House which would do what I am suggesting today. Again, all I am suggesting is that we separate these functions and establish under a separate entity the prime jurisdiction with regard to all accidents, simply assigning that responsibility and jurisdiction to various existing bodies.

● (1720)

I am not asking for the expenditure of money. A commission of this nature, whether funded by present means or not, is of no importance to the transportation industry. What they have wanted for a number of years is the removal of any possibility of conflict, no matter how remote. The Air Line Pilots Association, the Canadian Owners and Pilots Association, steamship associations, our trucking associations, people who work in the field of rail transportation, have all expressed concern from time to time in recent years, not that there is a conflict of interest, but that there have been so-called whitewashes, cover-ups, and so on. I am not concerned that that is happening because to the best of my knowledge it does not. But there is continuing concern that a conflict of interest could exist and a whitewash would result.

It is possible that an impartial and honest investigation might be impaired, and if it were the consequence is obvious. Others involved in transportation will not have available to them the serious, thought-out conclusions of an investigative team, and without that the ability to avoid future accidents might be impaired. I do not think it is unfair to suggest it would be impaired in direct proportion to the degree to which information might be withheld.

I have never been entirely satisfied with the procedures and methods used in releasing details of air traffic accidents. I have received countless letters in the last month or so from departmental officials which I am sure, if they came into the hands of the transportation industry in this country, would leave it appalled.

I am not, as I say, asking the House to spend money. I am asking the House to consider in its wisdom referring the subject matter, if not the substance of the bill, to the Standing Committee on Transport and Communications. I would withdraw the bill this afternoon if I thought that next week we would be given the opportunity to look into this matter carefully. Had there been no question in Your Honour's mind about the procedural acceptability of the bill, within not only the rules of the House but the prerogatives of the treasury benches, I would have dealt in much greater depth with what is happening in this regard elsewhere in the world. I have spoken of the international experience and would have drawn the attention of the House to the fact that we are almost alone in the western world in our failure to remove the very wide possibility of conflict. I would have indicated my regret about that and

substantiated areas in which the transportation industry is calling for this type of investigative body. I would have dramatically pointed out from the information available the admissions of government that near conflicts can in fact result.

I let the matter rest with an appeal to Your Honour not to curtail discussion of this bill for the next few minutes on the ground that it might invade the right of the executive to determine expenditure of money. I ask that you let hon. members who wish to participate in this brief discussion direct their points, not to the very narrow technical arguments that have been raised, but rather to the urgency of Canada removing any possibility of conflict of interest within our total transportation system, not only for our own sake but for the sake of international carriers who move in and out of our air space and our waters on a daily basis.

The Acting Speaker (Mr. Laniel): Order, please. The Chair appreciates the interest of the hon. member in the bill now before the House and also the objective that he wishes to achieve by presenting this proposal to the House. I thank him for his comments, particularly those relating to the point of order regarding the acceptability of the bill. The hon. member said in his remarks that the object of the bill is not to spend money. However, the Chair has no authority to remove clause 8 of the bill, which definitely calls for the expenditure of money by parliament. This is clearly indicated in the last two lines of that clause.

Because of the importance of this matter in the hon. member's opinion, he is asking the Chair to put aside the rules, practices and precedents of the House and to base its decision on acceptability on the importance, in the mind of the hon. member, of the proposal contained in Bill C-33. The hon. member also said that the rules are designed to help hon. members, not to limit them. I am sure the hon. member, who has been in the House for many years, will find that the rules are really protective. The rules the hon. member seems to find restrictive today could well become protective, as they have been protective for hon. members in years past.

The hon. member did not seem to contest the hesitation of the Chair in accepting the bill on the ground that it infringes upon the financial initiative of the Crown, so unless hon. members request me to do so I shall not cite the relevant citation in Beauchesne. If hon. members refer to citation 362(2) of Beauchesne, I think they will find clearly set out there that an hon. member cannot introduce a bill which imposes a charge on the treasury without a recommendation. The same is also said in citation 249.

● (1730)

I am sure that if hon. members looked through Beauchesne's and May's they would not find many citations with which to defend the cause of this bill. Because hon. members have been lenient and seemed so interested in the subject matter of the bill before us, the Chair did not try to intervene too early, which I think was more than fair to the hon. member. He did make his point, perhaps under cover of a procedural argument, so I think he has had a chance to fully present his case.

[Mr. Forrestall.]

At this time the Chair has no alternative but to refuse the bill in its present form unless there is agreement among hon. members to accept the suggestion of the hon. member for Dartmouth-Halifax East and refer the subject matter of the bill to a committee. Otherwise, I cannot accept further discussion of the bill in its present form.

Mr. Reid: Mr. Speaker, as a result of your decision there is no other private members' business scheduled for today and I believe there would be agreement in the House to call it six o'clock now.

The second thing I would like to do is to draw Your Honour's attention and that of hon. members to item No. 17 on the order paper, which is the bill on residential mortgages now under debate. The motion calls for the bill to be sent to the Standing Committee on Health, Welfare and Social Affairs. There have been consultations among hon. members and I think there is agreement to changing the motion so that the bill would be sent to the Standing Committee on Finance, Trade and Economic Affairs.

The Acting Speaker (Mr. Laniel): Hon. members have heard the proposal of the parliamentary secretary. Is it agreed that the motion be changed accordingly?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): Does the House give unanimous consent to calling it six o'clock at this time?

Some hon. Members: Agreed.

At 5.35 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

RESIDENTIAL MORTGAGE FINANCING BILL

ESTABLISHMENT OF CORPORATION, RECOGNITION OF SPECIALIZED MORTGAGE INVESTMENT COMPANIES UNDER LOAN COMPANIES ACT AND TAX TREATMENT

The House resumed consideration of the motion of Mr. Basford that Bill C-135, to provide additional financial mechanisms and institutions for the residential mortgage market in Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when I began my speech earlier this afternoon I made the point that members of the NDP were opposed to the passage of this bill because it really does nothing to change the fundamental reliance of the government on the private sector of the economy to meet the housing needs of the people of Canada. I pointed out that the private sector has failed to meet the needs of ordinary citizens and that

the financial institutions have been as interested in maximizing their profits as any other sector of the private enterprise system.

Interest rates today are at an all-time high of 10 per cent or more. These interest rates began to increase in 1969 when the hon. member for Trinity (Mr. Hellyer), who is now a Conservative, was a Liberal and the minister in charge of housing policy. He permitted interest rates on mortgages, which had been fixed at 6½ per cent, to be raised. He argued that if we removed the limit of 6½ per cent interest on mortgages there would be competition, rates would be reduced and as a result much more money would be available for housing. Events have proven that the hon. member for Trinity was wrong in 1969. The fact that he has become a Conservative has really meant nothing, because the members of the Conservative party are supporting the present proposal, one which was wrong in 1969 and is wrong today.

The fact that the government knows there are fundamental defects in our housing programs can be demonstrated when we recall that they appointed a commission to study all aspects of housing policy. The commission was headed by Professor Michael Dennis of Toronto. Having conducted very intensive and detailed studies of various aspects of housing policy and having prepared a report, Professor Dennis and his group found the government promptly decided the report was such a devastating criticism of the present and former governments that it would be better not to publish it. In fact, it was not until the document somehow got into the hands of opposition members and of the media that the government permitted its publication and distribution.

Professor Dennis was appointed by a Liberal government to look at housing policy. I understand he now works full-time for the mayor of Toronto who, I am told, is a Conservative. Not only did Professor Dennis make that report, but he appeared before the Standing Committee on Health, Welfare and Social Affairs on April 10, 1973, and presented a statement in which he analysed Bill C-133 which was then being considered by the committee. Some of the comments he made then could be equally applied to the bill we are discussing today. He said:

> I strongly recommend that the National Housing Act be amended to provide that it is the policy of the government of Canada to ensure that decent housing is available to all Canadians at a price which they can afford and to achieve as equitable a distribution of the nation's housing resources as possible.

I submit that with interest rates at 10 per cent to 10½ per cent we are not getting decent housing at a price which many people can afford. I submit that with the price of land having jumped by some 200 per cent since 1960, the price of housing in major cities such as Toronto and Vancouver, to mention just two, have gone completely out of the reach of 85 per cent of the people of Canada. The submission which Professor Dennis made to the House of Commons committee on April, and his criticisms regarding the lack of an over-all housing policy which would meet the needs of the Canadian people, are as valid today as they were then. The government has failed in the provision of mortgages at an interest rate which ordinary citizens can afford. That is the main subject that is before this House. The government has failed in the provision of land at an equitable price; it has failed in almost every aspect of housing policy.

I wish to place on record the estimates of Professor Dennis and his group on the availability of serviced land in four cities. He estimates that six of the largest developers in ten Canadian cities hold half the land available for housing. That is the reason the price of land has increased so greatly. In Calgary, where there are 7,500 serviced lots available, developers own all of them. In Ottawa-Hull, where there are some 8,100 lots available, developers hold 7,000 of them. In Vancouver, where there are 8,000 lots available, developers hold 6,900; and in my city of Winnipeg, where there are 8,000 lots available, developers own 6,150 of them.

I would not mind if developers where doing this with their own money but, Mr. Speaker, they are doing it with money which belongs to all the people of Canada, because this government, and the Conservative government before it, permitted developers to go to banks and lending institutions—to which we are going to give further protection under the provisions of this bill—to borrow money, not just for this year or next year but probably for the next ten to 20 years, and to write off the interest rates on their borrowings as a legitimate business expense on which they have to pay no corporation tax. In other words they have been given a licence to use our money in order to jack up the price to people who need housing.

• (2010)

When we passed another bill a short while ago, the hon. member for Peel South (Mr. Blenkarn) was on his feet defending the financial institutions of this country.

An hon. Member: He always does.

Mr. Orlikow: Yes, he always does. What does this bill do, Mr. Speaker? As I said earlier, the bill is just a vehicle with which to tinker with the system: it is another excuse for not facing up to the real problems of providing the people of Canada with the houses they need. As I indicated earlier, figures which have been published by the *Globe and Mail* show that the trust and loan companies made 14½ per cent more profit in the first three months of 1973 than they did in the same period last year. This bill tells them that if they are worried that their housing loans are too risky, the government and the people of Canada, through this bill, will provide a sure-fire way by which they can dispose of their bad risks.

The government is not worried about their good risks; they can keep all the excess profits they make. As far as I know, there are no mortgages which are in any way bad risks in the long run; but if they have any which are bad risks in the short run, this bill will give all the protection needed by taking them off their hands. This legislation will increase the liquidity and the fluidity of the risk for the mortgage and trust companies in the housing field and will permit them to make more money than ever.

This proposal demonstrates that, as usual, the government is unwilling or unable to properly control the total cash flow that is needed if the Canadian people are to have their social programs looked after. There are billions of dollars for the developers who, as the hon. member for Broadview (Mr. Gilbert) said earlier today, want to build

office buildings for Canadian corporations, with fancier offices, wall-to-wall carpeting, air-conditioning and all the rest, and then charge 50 per cent of the cost to the taxpayer through corporation taxes. There are billions of dollars for more filling stations, for more supermarkets. But that is not enough, Mr. Speaker. Not only will this bill give the mortgage companies protection against losses which they might incur in the building of houses which are so badly needed, but it will give them protection against the most speculative investment they might make in office buildings or other buildings. There are probably too many of these as it is.

We were told earlier by the hon. member for Peel South that we really do not understand this bill; in fact, we were told that we do not understand anything about the building of houses. If he had thought about it, I am sure he would have said that we do not understand anything about business. When the hon. member for Broadview said this party proposed that the mortgage rate be set at 6 per cent, the hon. member asked: Why not 4 per cent or 2 per cent? Although he did not say so, he probably thought: Why not no interest at all? Mr. Speaker, when we talk of an interest rate of 6 per cent on homes, we cannot be that wrong; we cannot be that wild-eyed, that impractical.

Let me put on the record excerpts from an editorial which appeared in the Toronto *Globe and Mail* last Friday, September 14, 1973. This was the main editorial, headed "Bullied by the bank rate". For the information of the hon. member for Peel South—he is not here, but perhaps he will look at *Hansard*—I shall read several paragraphs of it. Here, to my surprise, and I am sure to the amazement of the hon. member, is what the editorial says:

> There is absolutely no reason why mortgage lending rates should be forced upward. They do not have the same relationship to international markets as do, for instance, bond rates, and they can be maintained at lower levels in Canada without in the least jeopardizing the security of the Canadian dollar.
>
> Repeatedly in the past we have urged that the federal government impose a ceiling on mortgage rates and, at the same time, require lending institutions to set aside a certain proportion of their funds for mortgages. It can be done; in fact, it is being done successfully in the United States.

Later in the same article we find these words:

> The most brutal aspect of rising mortgage rates is that what appear to be small increases add substantially to the financing of a home. As the Ontario housing task force under Eli Comay showed, an increase from 7 per cent to 10 per cent in mortgage interest adds at least 20 per cent to monthly home ownership costs. Putting it another way, a $35,000 house with a 40-year, $25,000 mortgage, would cost a total of $75,000 at 6 per cent interest but $110,000 at 10 per cent interest—a difference of $35,000.

I commend that part of the editorial to the hon. member for Peel South who was worried about the people who are without housing. The article continues:

> Until mortgage rates and mortgage funds are secured at a level that ordinary people can afford, Canadian families will continue to be abused unnecessarily.

Mr. Speaker, that is precisely what we have been saying for a considerable time. It is precisely what our members have been saying in the discussion on this particular bill. We have said and will continue to say that the interest rate on homes, particularly the interest rate on mortgages for moderately priced homes, should be fixed at 6 per cent. We do not say that the rate should necessarily be subsidized by the government, although I would consider that to be worthwhile. What we have been saying and will continue to say is that there is nothing wrong with the Government of Canada telling the banks, the mortgage and trust companies and other financial institutions that a certain percentage of the money available for investment must be directed to building homes at a legitimate interest rate. We have said such a rate is 6 per cent.

Today somebody asked if this would not mean that the banks and financial institutions would make less money and, in order to make what they consider to be an acceptable rate of return on their investment, they would have to raise their interest rates on other forms of loans. I am not sure that it would, but let us explore the possibility. I suggest it would be good social policy if we were to encourage home ownership by keeping the interest rate on homes at 6 per cent, even if that meant saying to those Canadians who want to buy cars that they may have to pay a little more on the money borrowed to buy the car or they may have to wait another year before buying it. I say that knowing that the hon. member for Oshawa-Whitby (Mr. Broadbent) represents a constituency in which live a large number of auto workers. I say that governments have the responsibility of choosing, and that is a choice that I personally would like to see made if it is necessary.

• (2020)

We object to the way in which this bill will provide a tax rip-off and will enhance the attractiveness of mortgages as investments for financial institutions. I have already put on record certain facts. Profit figures prove conclusively that this kind of inducement is not necessary in 1973; nor, in all likelihood, will it be necessary in the next five or ten years. We do not need to help financial institutions which are already making substantial profits and do not need this kind of assistance.

We have said if this bill is to be passed, it ought to be amended so it will benefit only those financial institutions which lend money for residential building. We see absolutely no excuse for the government's offering any kind of subsidy, any further guarantee to investment companies and the like which build commercial properties, office buildings, supermarkets or things like that. I come from a have-not province. The capital, which contains several constituencies one of which I represent, contains more than half the population of the province. Mr. Speaker, the housing situation in Winnipeg is bad. I invite the Minister of State for Urban Affairs (Mr. Basford) or the Minister of Indian Affairs and Northern Development (Mr. Chrétien) to visit Winnipeg.

Mr. Basford: I was born and brought up there.

Mr. Orlikow: I would be more than happy to take them around Winnipeg. In my constituency, and this applies even more to the constituency represented by the hon. member for Winnipeg North Centre (Mr. Knowles), I can show them the sort of housing accommodation which is available to part of the rapidly increasing population of Winnipeg. The housing for the Indian and native peoples of Winnipeg, Regina, Calgary, Kenora or any other of our western cities is a disgrace to this country. I say that it is

shameful that this country should permit such housing conditions to exist in 1973.

Bad as the conditions are in Winnipeg, they are infinitely worse outside Winnipeg. In the reserve less than 100 miles from Winnipeg there are houses and living conditions the like of which I would not have believed existed anywhere in Canada today. This bill will do absolutely nothing for those whose need for better houses is greater than anybody else's in this country.

This bill will encourage financial institutions to pump more money into Toronto, Vancouver, Calgary, Winnipeg and Montreal, cities which are growing and which have benefited more than other parts of Canada from the housing boom for the middle and upper income citizens which has gone on ever since the end of World War II. This bill will probably do nothing for Quebec, except that possibly it will help the people of Montreal. It will do nothing for the Maritimes and nothing for Newfoundland. Those areas are at the bottom of the totem pole, where people get little or nothing. That has been their lot for many years.

We have said, and will continue to say, that instead of giving further financial inducements to the companies which have failed miserably until now to meet the needs of Canadians, we ought to establish within the Department of Urban Affairs a central mortgage fund section which would direct federally chartered lending institutions to allocate capital which is provided to them at the prime bank lending rate for housing. These funds ought to be directed according to the housing priorities established by the Department of Urban Affairs.

I, for one, am not prepared to leave it to the financial institutions, land developers, housing builders and others to provide the houses that are necessary. I do not blame them for what they are doing. We live under the kind of system which says that every person who lives by the law is entitled to maximize his profits, so I do not blame them at all. I blame the government of Canada and the parliament of Canada for letting them do this and encouraging them to do it.

By introducing this bill we are telling them, "You have not made enough money. We are giving you a licence to steal more, to rip-off more from the people of Canada." That is what this bill does, and that is why we object to it. We are saying to the minister—and it is hard for me to say anything nice about this minister—that we want the Department of Urban Affairs to decide where the money which is to be spent on housing in the next year, two or three shall be spent; that is, in what parts of the country it shall be spent and in what cities, and how much shall be spent in rural areas. These are not decisions I am prepared to leave to the private sector of our economy. We know what the private sector has done until now. It has ignored the needs and priorities of the people of Canada.

For that reason we suggest this bill is wrong. It is the wrong bill, introduced at the wrong time and will lead to the same kind of wrong solutions which we have experienced until now. For these reasons we urge the minister, even at this late date, to reconsider this matter and take the kinds of steps which we have proposed.

An hon. Member: You want the minister to listen to you.

Mr. Orlikow: Perhaps what I have said is not so important. I merely ask the minister to look again at the proposals which were made by the task force. This government appointed it. I am referring to the proposals which were made about mortgage funding, land acquisition and public housing. Surely the previous minister had some confidence in the ability of the members of the task force or he would not have appointed them.

I suggest, in closing, that the minister withdraw this bill and that he give serious consideration to proposals made regarding all aspects of housing by Professor Dennis and the group which worked with him. Let the minister return to parliament with a housing policy which we need. Let him not say that in the next four or five years "X" hundreds of thousands of houses will be built. Instead, let him say that we shall build all the houses that are needed by the people and in the places where they are needed. Let us do this, instead of building houses for people who can afford to pay for better homes than those they now occupy but which to a large extent they do not need.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, Bill C-135, which would establish more rip-off institutions, perhaps, in the field of housing is a bill which I feel sincerely will not help the people of my constituency which basically is a rural-urban Saskatchewan riding. Most of our families earn low or middle incomes.

The bill before us would establish two institutions, a mortgage investment corporation and a federal mortgage exchange corporation. Perhaps, according to the traditional economic approach, it will make more funds available for mortgages in this country and will make funds more liquid. However, it will do nothing to make funds available to people in this country who really need homes, those who live on low or moderate incomes. Further, the minister, by introducing this bill, is doing absolutely nothing to bring down interest rates or to subsidize interest rates for people in need. I am not sure that more funds are really to be made available for housing even with interest rates as they are now.

● (2030)

About five or six days ago the Minister of Finance (Mr. Turner) said in this House that he had received assurances from the banks that there are enough funds available for mortgage and housing purposes in Canada at an interest rate of 10 per cent. Today the minister is arguing that by making more funds available, interest rates will come down and therefore there will be more incentive to build houses in this country. That has always been the traditional approach to economics in this country by the Liberal and the Conservative parties. I maintain that type of approach will not work in the world economy we find ourselves in, with spiralling interest rates not only in Canada and the United States but in the entire western world.

We will not solve these problems unless we have foreign exchange controls and the guts and the gumption to actually control interest rates. The banks and financial institutions must be told to allocate so much of their capital each year to invest in housing at a fixed interest rate of 6 per cent. That is what our party is calling for with regard to residential mortgages and home building in Canada. I

maintain that is a reasonable policy. I think it can be done, and it is about time we tackled the banks and financial institutions in this country.

Let us see whether the Conservative party has the guts and the gumption to support the proposal of putting some controls on interest rates on residential mortgages. I suspect they are being sincere, but maybe they are just being political. However, they talk about a system of comprehensive controls for 90 days on salaries, wages and prices in this country. If they are really interested in controls, they should support our argument of allocating funds which the banks have at their disposal, saying to them that every year a certain amount must be made available for housing at 6 per cent interest. At an interest rate of 6 per cent, the ordinary citizens of this country can afford to build houses for themselves and their families. I challenge the Conservatives to do that.

Mr. Woolliams: Would the hon. member permit a question?

Mr. Nystrom: I would be very pleased to answer a question.

Mr. Woolliams: Would the hon. member tell us what percentage of the money of the banks goes into mortgages for homes, and what percentage of mortgages are loaned by other institutions? He has been dealing with banks. My understanding is about 15 per cent of the money which goes into mortgages in Canada comes from the banks.

An hon. Member: Eight per cent.

Mr. Woolliams: It is about 15 per cent, if you take it across the board. If you deal with certain quasi things like unions, credit unions, and so on—

Mr. Deputy Speaker: Order, please. I think the hon. member has gone a little beyond the question and is making an argument or a speech. The question is clear, and I will again recognize the hon. member for Yorkton-Melville (Mr. Nystrom).

Mr. Nystrom: Mr. Speaker, to my knowledge about 8 per cent of the funds from the banks go into residential housing in this country.

Mr. Woolliams: Including credit unions?

Mr. Nystrom: I understand it is higher when you get into other institutions and life insurance companies. I do not know, off the top of my head, whether that is the precise figure, but I maintain it is far too low. We should be saying to the banks that a much higher amount should be allocated. I cannot say offhand whether that should be 15, 16 or 20 per cent. We must determine how much housing is needed in this country, who needs that housing and each year require these institutions to set aside a certain amount of their investment capital for housing. That could be done. I think it is the only solution if we are to put housing into the hands of the ordinary citizens of this country.

The hon. member for Calgary North (Mr. Woolliams) raised the question of banks. If I understood him correctly, he defended the banks in their investment policies. I wish to refer to an article in the September 15 edition of the Toronto *Globe and Mail*. It says that for the first seven months of this year the profits of the chartered banks in this country increased by 31.9 per cent. That is an increase in profits over July 31 of last year of almost 32 per cent. I suggest it is indicative of the interest of the banks in terms of profiteering and making investments. They want to make a quick buck, and they know where the profits are very high.

It is natural that financial institutions such as banks will lend money to people building expensive homes in places like Toronto, Ottawa, Vancouver and other large cities because the housing market is more expensive; they can rake-off a larger profit. Our party contends the time has come to say to the financial institutions that this parliament is supreme and will demand that they provide 6 per cent mortgages to build houses in Canada.

The legislation before us does not guarantee that more funds will go into the housing market. With this type of legislation, the banks might allocate less money for the housing market than at present and channel money presently being put into housing into more profitable enterprises. This bill does not guarantee money will go to those parts of Canada where housing is needed. It is more profitable to lend money in the big cities where houses are more expensive. It is natural that funds will gravitate toward those centres.

We need a lot more than the bill before us today. There must be a fundamental change with regard to housing. Housing is a basic need, just as food, education and medicine and should be treated in that fashion. It should be removed from the commodity market. The financial institutions should not be allowed to profiteer when people cannot obtain shelter for themselves and their families. Housing should be treated in the same manner as schools and hospitals. There is little profiteering on these buildings. Housing is a basic necessity of life and should be made available to Canadians at cost. Banks, financial institutions, land developers, land speculators and other people should not be allowed to rake-off profits.

Unless something is done soon, the situation will become worse in the next few months. We have heard that two of the largest banks in the United States have now raised their prime lending rate to 11 per cent. Usually, the prime interest rate in Canada follows that of the United States. In a few weeks, the prime interest rate in Canada will increase. What will happen to the mortgage rate in this country? The Minister of Finance says he has guarantees that the banks will provide sufficient funds at 10 per cent. However, if the prime interest rate goes up, by the end of the year the mortgage rate in this country will be 11 per cent, if not higher, unless something is done in the very near future. That is why we need foreign exchange controls in this country, or perhaps an interest equalization tax to keep our funds in Canada to develop our country for the people who live here.

It is not only important to get assurance from the banks that mortgages will be held down or rolled back to 6 per cent, but that we get assurance from the banks that their services will not snowball or spiral because they are holding down their interest rates. Banks could, for example, increase their appraisal fees.

• (2040)

An hon. Member: What about lawyers?

Mr. Nystrom: Someone from behind the curtain said, "What about lawyers?" Perhaps this is something else at which we should be looking. Why should a lawyer rake-off a high percentage on a first or second mortgage when the amount of work he puts in is minimal; his secretary is probably doing it for him in many instances.

Mr. Alexander: That is a lot of nonsense.

Mr. Nystrom: I am sorry if I am stepping on a few toes.

Mr. Alexander: You are not stepping on mine. Just be honest.

Mr. Nystrom: I might refer, also, to other services for which charges are made—mortgage insurance, for instance. There are ways in which lending institutions can increase the cost of a mortgage without actually increasing the interest rate charged. The House should be looking into these matters rather than establishing additional financial institutions which in my opinion will not help at all to provide housing for ordinary citizens at prices they can afford.

The minister in charge of housing seems confident that the bill will lead to an increase in funds available for housing. Perhaps it will. But nothing is said in this measure about means of reducing interest rates. Ordinary citizens will not be assisted to get funds at a reasonable interest rate. That is why we cannot support the government's proposals. In spite of the fact that the Conservative party is concerned about the effect of these provisions on corporate funds, I urge hon. members to my right to join us in taking this position in an effort to help the ordinary citizens of this country. I should like to see the Conservative party do that—

An hon. Member: Filibuster.

Mr. Nystrom: —rather than talk about a 90-day freeze and indulging in short-term political opportunism, as they do too frequently.

Some hon. Members: Oh, oh!

Mr. Nystrom: I see I am ruffling the sensitivity of some members on this side.

Mr. Alexander: That's your story.

Mr. Nystrom: When it really comes down to it, the Conservative party will not stand up and be counted. It will not support any measure which is contrary to the interests of the financial institutions. A good example is what Mr. Lougheed is doing in Alberta when he supports the giant oil companies in padding their pocketbooks.

Some hon. Members: Filibuster!

Mr. Deputy Speaker: Order, please. I think the hon. member enjoys creating a certain amount of interest in the debate, but he should be dealing with the principles before us as they relate to housing.

An hon. Member: What principles?

Mr. Nystrom: Someone suggests that there are no principles in the bill.

Mr. Alexander: Shame.

Mr. Nystrom: Because of this, my party does not see fit to support the measure before us, and instead we call upon the government to come forward with substantial legislation which will help the ordinary citizens. I challenge the Conservative party to join us in tackling the financial institutions. Let us see some action instead of opportunistic words, action which will bring benefits to the ordinary citizens of Canada. If the Conservatives do that, the NDP will be right in there with them, fighting all the way.

• (2050)

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I will say only a few words to give our point of view on Bill C-135 which we find inadequate. The bill does not meet all the standards and requirements which we now see in housing. Its objectives is to create a federal fund for the transfer of money among those handling loans at high interest. The small owner cannot be expected to pay interests of 9¾ or 10 per cent on a mortgage for a house, which often represents 90 per cent of services and taxes.

I congratulate the hon. member for Winnipeg North (Mr. Orlikow) for having drawn the attention of the House on the fact that the small wage earner cannot pay interests over 6 per cent, because through some legislation he should at least be given the opportunity to pay his house perhaps, one and a half times or one and three quarters, but not three times over.

I am speaking on good grounds because I am a shareholder of a company which built 112 single houses last year and we expect to build 90 or 100 this year because there is a demand. But I do not feel at all—and I say it to the House—that anybody is rendered a service when, to comply with the act, we must sell to a poor workman who earns $6,500 $7,000 or $8,000 a year, a house with a mortgage at 9¾ per cent whether it may be a loan from the Central Mortgage and Housing Corporation or from a bank, that is endorsed by the central corporations.

My colleagues say there may be a few banks that grant loans at a rate of 8 per cent. We are aware of the fact, Mr. Speaker, that once the engineer and the urbanist have checked in order to satisfy the Central Mortgage and Housing Corporation, and after the whole approval process of plans and estimates the interest on the loan amounts to 9¾ per cent, 10 or 10¼ per cent. White collars live out of it! We are not the ones who make them live, but workmen who own a house or who want to have one day.

Let us consider the various elements which must be taken into account in the cost of a house. I will take as an example a five room house that is sold for $20,000 and which is 32 by 48 feet. In order to build this house, 5,600 feet of lumber are required. If someone wants to contradict me, let him stand up. This lumber includes the wages of the lumberjack who earns $200 a week on average. Out of this amount, one must take $45 that are paid in direct and indirect taxes. Therefore, only $150 are left to the lumberjack. The truck driver who transports this

lumber with his truck, earns an average of $450 a week. Once deducted $150 in working expenses, he is left with $300, for a write-off of $65 must be deducted for machinery. An average of 30 per cent are deducted in direct and indirect taxes from the income of the man who owns a sawmill. The lumber salesman, that is to say he who deals with the contractor, also gets 30 per cent. The estate agent gets 30 per cent on his income. What is left on the property? Why is this house sold at $20,000? Because money must be paid at all levels: $3,500, $4,000 and up to $5,000 per house in direct and indirect taxes. That is what is pushing up the cost of living indicator now.

Clause 3 of Bill C-135 reads, and I quote:

> The purpose of this Act is to enhance the marketability of mortgages issued on residential properties in Canada and improve the effectiveness of the contribution of the private sector to the financing of housing in Canada.

Last week the Bank of Canada boosted the discount rate by ½ per cent. If I were a clever investor, I would not invest my money in a first mortgage at 10¼ or 10½ per cent on a property with risks, unless fire insurance were underwritten in my favour and paid to date. I would invest my money with the General Trust of Canada at 9 per cent, and then I would relax. What created this situation? It is the increase in the discount rate on money loaned by chartered banks.

If the building trade follows the trends of the last three years, we will see a slow down if not a complete stop, because a labourer will no longer be able to buy a house. The reason is that he has to pay for those who come before him and who are overburdened with taxes. He must also pay for services provided by the municipalities. With water and sewage facilities costing $75 a foot, if the width of the land is 100 feet, services alone will cost $7,500. This means a disbursement of $62 a month for ten years, or $750 a year.

Let us look now at the interest rate of municipalities. The province of Quebec says: Those are unwarrented expenditures. It is a game of cat and mouse. The federal government says: We are more open, we are going to give a new impetus to the economy. The province says: In Bramptonville—Windsor—in the riding of Richmond—or in Asbestos, those are unwarranted expenditures. You provided too many services to new neighbourhoods, we are not going along with that. We will give you $25,000, and then $300,000 to bury the mains in the streets. Then people say: The taxpayer is going to pay. The taxpayer always pays.

Then, nice measures are passed, such as Bill C-135 now before us. We are opposed to it because it does not solve anything at all. We are against that bill because it helps again those who tinker with dollars and charge interests of 9½, 10 or 12 per cent. I challenge anybody in this House to suggest that a worker in a textile plant in Drummondville, Magog, Valleyfield or elsewhere, who earns an average $5,800 a year, can pay an interest of 10¼ per cent to become a homeowner. Yet, that interest rate received the blessing of this House of Commons.

Now, there is another problem that this bill does not deal with; it is the overloan to contractors who build well-dressed slums. Let me explain: By well-dressed slums

I mean 10-, 12-, 15-, or 20-storey buildings, as can be found in Montreal and Toronto.

People ask if there are any lots left in the province of Quebec. Real slums are being built. The house is nice, the brick is nice, it is well built, it is upright, there are no problems, it is well done. However, one thing has been forgotten: Those rat slums—because only rats can live there—have a little balcony or a little porch—to be more specific—of three feet by four. To see the sun, you must go out on the balcony, on the 17th floor. However, you must tell the kids: "Do not make too much noise, because the people on the 7th floor will hear you." It is no use, because those buildings are not soundproof. The people on the 4th floor can hear what their neighbours are saying.

● (2100)

I think that those slums whose building was authorized by CMHC in our larger centres are a national calamity. However, Mr. Speaker, I congratulate CMHC on its lending of money for the building of single-family dwellings and the good sense it shows by requiring the construction of fairly wide streets and proper ventilation for single-family dwellings.

However, I am talking about the slums in Toronto, Winnipeg, Montreal, Quebec City and other larger centres where workers must pay a monthly rent of $235 to crowd into a 3½ bedroom apartment. These are not dwellings but "camps", slums. It is hopeless, there is no ventilation, no garden, nothing at all, except a small three feet by four balcony.

Why are those houses being built? I know why. Anyone who builds a house now goes to CMHC. If he is the least bit intelligent, he must pay his bills to have the cash discount before 30 days; he makes $20,000 on 18 apartments before selling them. There is nothing doing. Therefore, he builds them like mad. It is always written on the door of those buildings: For rent 1½, 2½, 3½ or 4½ room apartments. He does not rent them and does not care, because he made his money. Then, this individual sets up three companies. There are three of them in Montreal; I will not name them because I prefer to respect their anonymity, even though I could name them right away. Houses are built; they cannot rent shacks! Their money is made. Nothing stops them; one goes bankrupt, another takes his place, always with the blessing of CMHC.

Where are the responsible contractors. I wonder. Where is the family home which respects the individual? I wonder. Do you know what they do? My contractor, Jean-Denis Breton, from Magog, used to say: Let them build shacks the others will fill them up through advertising. When the tenants will be living in 1½, 2½, 3½ room apartments, we shall advertise at the door: Family home for $15 or $20 a month cheaper, a real home. We will empty them, there is no problem. But the individual is not too worried; he made a $20,000 or $25,000 profit on the CMHC loan.

At this stage, I would like the minister to listen to me. This is a terrible plague in our cities. It is like a pyramid. Someone is invited to invest and buy 10 acres of land. Who is this individual? Nobody knows. Where is he registered? Nobody knows. That makes my colleagues laugh, but it is true. Where does he come from? Nobody knows, nobody

knows him, he is anonymous. He buys about 10 acres of land. They are subdivided into small lots, not 90 by 120 feet, Mr. Speaker, but small lots. To use popular language or to be on the level of my good friend, the Minister of Agriculture (M. Whelan), I would call that small "pig pens". It is as simple as that. There is nothing, there is no room for a garden or to plant a tree. The money comes from the Central Mortgage and Housing Corporation and that is all that counts. A house is built. Once they have made a good profit, it does not matter whether they rent it or not. Meanwhile, the taxpayers' money invested in housing is being spent in a way that does not meet with our wishes. We have open air, we have room in Canada; our country is one of the largest in the world. There are 20 million people in Canada but there is a craze for building, everybody want to build, one on top of the other, because our financial corporations, including the Central Mortgage and Housing Corporation, are not careful enough as regards the environment in our cities.

Mr. Speaker, I think Bill C-135 is unrealistic. We do not think about what we are doing with the amounts of money coming from the banks, the taxpayers, who invest with the approval of the Central Mortgage and Housing Corporation, in the building of healthy dwellings so that our families may live decently tomorrow and so that a man and a woman may bring up children, if they want to, in a responsible society.

[*English*]

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, it has always been my conviction that there are four areas in which government has a social responsibility. These four areas are shelter, food, health and education. It seems to me that every human being has a right to adequate shelter, a full stomach, proper health care and education. Of these four, only in the field of education has government in Canada really exercised its social responsibility.

The bill before us deals with housing. And housing is essential. Indeed, it eats up 25 per cent to 30 per cent of family incomes in urban Canada. It has a weight of one-third in the consumer price index, but in fact as much as half the income of low-income families, who are not in public housing, may go in shelter of some form or other. There seems to be a general rule that the "poor pay more," and this rule seems to hold good for housing as well as other commodities. Compared with the average family, the bottom 20 per cent of the income scale spend twice the proportion of their income on shelter.

The disparities are also rather staggering. Not only is there a disparity between middle-income and low-income families; there seems to be a disparity between regions of Canada and indeed between different regions of Ontario. For example, according to figures released recently by CMHC it costs $5,510 more to build a home in Sudbury than in Hamilton. Construction costs per square foot are higher in Sudbury than in any major urban area of Canada. Costs range from a low of $15.29 per square foot in Toronto to a high of $19.51 in Sudbury. Of the 19 Ontario urban areas surveyed by CMHC, five of the seven most expensive areas in which to build are in northern Ontario. So disparities exist not just between low-income and middle-income families but also between regions of the country. Regional disparities also reflect the higher cost of shelter.

Mr. Alexander: Try the north.

Mr. Rodriguez: I did. The present housing act is designed for the advantage of the lender, not the consumer. For example, if you are lucky enough to obtain an NHA loan, an inspector will call at least three times during construction to examine the work in progress. There is no guarantee to the purchaser in regard to the quality of materials and workmanship. Also, if a consumer obtains an NHA mortgage loan, he pays a premium of 1 per cent of the total loan which goes into a mortgage insurance fund that is held in trust and managed by CMHC. He pays that, and one may assume it is for his benefit.

Mr. Alexander: What is it for?

Mr. Rodriguez: I will tell the hon. member what it is for. The mortgage insurance fund is for the protection of the lender in case of default. The consumer pays the premium even though the lender holds his mortgage. The *Financial Post* pointed out in October, 1972, that "the mortgage insurance fund is now worth an impressive $300 million, while claims outstanding against it are only $10 million". The consumers have certainly paid handsomely to buttress the operations of mortgage lenders.

The premise on which this government and previous ones have legislated has been: more mortgage funds, more housing starts, more suburbs to move into. This formula worked for some but left a large number of Canadians outside the mainstream. The effects began to appear in the 1960's, and it was interesting to see the fiscal legerdemain which the Liberal government in 1966 employed when the mortgage rate was frozen at 6 per cent. The government wanted to remove the mortgage ceiling and used an argument that went something like this: If you remove the ceiling on interest rates, the resulting higher rates would attract more money into the housing field and the greater competition for the consumer's buck would bring down the interest rate. Well, Mr. Speaker, we know what happened following that. There has been a steady upward spiral of interest rates to the detriment, not of the lender, but of low-income Canadians. Middle-income Canadians are now starting to feel the pinch and they are screaming.

By 1970 it was obvious that that formula was based on a number of wrong assumptions. It assumed that housing was primarily an individual matter and that the average family should "go it alone" in the housing market. It is now clear that this thinking has to give way to the pattern of social responsibility and the creation of good communities rather than the mere multiplication of housing.

The flow of mortgage funds was seen as a means of either slowing down or speeding up the economy. New housing starts became the economic thermometer of the nation. The assumptions and practices of the past favoured the lenders rather than the people, who are the ultimate consumers. This situation will not right itself in a system controlled by what is euphemistically termed "the free market forces", until the government turns to a housing policy from the consumer's viewpoint rather than the lender's. Note that the assumptions of the past were all right so long as they favoured people of upper and middle

income. Now that the middle-income group is being squeezed, with respect to housing, we hear loud squawks and outcries. They are feeling pressures which have been on the poor all along.

● (2110)

What is the purpose of Bill C-135? I think we should refresh our memories on that point. The purpose of the bill, as stated on page 2, is as follows:

—to enhance the marketability of mortgages issued on residential properties in Canada and improve the effectiveness of the contribution of the private sector to the financing of housing in Canada.

The minister in his notes on the bill states:

The provisions of the residential mortgage financing act are designed to contribute directly to meeting these objectives by providing new financial mechanisms in the Canadian mortgage market aimed specifically at improving the flow of mortgage funds for the middle and moderate income home buyer.

This will be achieved by enhancing the attractiveness of mortgage investment for financial institutions and pension funds, and by creating new mortgage investment companies through which the smaller investor can place investment funds into mortgages.

This statement means only one thing, namely, higher interest rates. In view of the fact that 250,000 new houses were built in Canada in 1972, and this is considerably in excess of the annual target of 236,000 new houses set by the Economic Council of Canada, it is fairly obvious that the problem is not availability of mortgage funds but, rather, whether the consumer can afford the cost of contracting a mortgage. And is it fair for mortgage institutions to be able to take advantage of the consumer in such an essential area as shelter? The answer to both questions—I hear reverberations from behind the curtain—is an unequivocal no.

Bill C-135 smacks too much of the old Liberal chestnut enunciated by the minister of finance in 1966. The solution, as the government sees it, is to establish two institutions: the federal mortgage exchange corporation and mortgage investment companies. These institutions will provide liquidity in the mortgage market comparable to stocks and bonds.

Again, these changes are set up, not as advantages to the consumer but as advantages to the lender. This bill is indeed a Shangri-la for the lender, and if it had not been conceived by the Liberal government the Conservatives would have dreamed it up. That is why they both support it, because it is advantageous to their affluent backers.

This bill is most significant for what it does not do. For example, it will not intervene in the marketplace to stabilize the cost or supply of mortgage funds. It will not reduce the cost of housing to the consumer. It will not guarantee that residential mortgages will receive the priority they deserve. It will not guarantee adequate mortgage funds for new or existing dwellings in rural areas and in less privileged areas. The new NDP proposals would seriously come to grips with the real housing problem facing Canadians.

My friend, the hon. member for Hamilton West (Mr. Alexander) says, "Here it comes".

Mr. Alexander: I rise on a point of order, Mr. Speaker. I never interjected for one second during the hon. member's speech.

An hon. Member: That is strange. You usually do.

[Mr. Rodriguez.]

Mr. Rodriguez: It certainly is a great relief to know he has not.

These proposals are, first, that the government establish a central mortgage fund section in the Department of Urban Affairs which would direct federally-chartered lending institutions to allocate capital at rates not exceeding the prime bank rate, plus an administration fee, about 2½ per cent below the present NHA rates. We also propose that these funds should be directed according to the housing priorities established by the Department of Urban Affairs. The NDP views the average and below average family income earners as those who should have the top priority in obtaining NHA mortgages. We feel that this kind of planning on the part of the government would ensure a solution to the housing problem initially for middle and low-income Canadians and, finally, for all Canadians who need shelter at a price they can afford.

Mr. Frank Howard (Skeena): Mr. Speaker, to the relief of all may I say that I intend to be very brief.

Some hon. Members: Hear, hear!

Mr. Howard: First, I will try to set out, for my own sake if for no one else's, what I conceive to be the purpose of the bill. Lumping it together, I think it is to provide $400 million of taxpayers' money, $100 million of it in share capital and a maximum of $300 million as loans that the Minister of Finance (Mr. Turner) may make to the corporation that is to be set up under the bill.

With this money the federal mortgage exchange corporation is authorized to buy and sell mortgages and to lend money on mortgages currently held for a period not exceeding one year. I think of it as being a kind of stock exchange for mortgages, for dealings in houses, an area where the gamblers and speculators can hold full sway and where the homeowners' interests are not considered at all in those high-stake games where they are dealing in hundreds of thousands and hundreds of millions of dollars.

While initially there is to be up to $100 million of share capital money put in by the public, all in all this is not a public corporation but a private corporation something similar to the Canadian Development Corporation, financed with public funds for the benefit of private interests. It is true that in the bill, unless parliament subsequently changes it, the share capital investment of the public through the federal government shall not fall below 50 per cent. But it does not mean that the federal government will have any measurable say in what the corporation does or how it conducts its affairs just because we put up more than 50 per cent of the money.

To realize this we only have to look to Panarctic Oil, which is a consortium of oil companies, private entrepreneurs who could not find oil on their own and needed the taxpayers of Canada to help them do it. So the taxpayers of this nation put up 45 per cent of the money in Panarctic Oil, and for that investment for a long period of time the Canadian government appointed one member to the board of directors of Panarctic Oil. The oil industry, all the oil companies that were involved in Panarctic Oil, were the dominant factor on the board of directors making policy decisions for Panarctic Oil. Subsequently the gov-

ernment saw the error of its ways and increased its membership on the board of directors from one to two, I understand.

● (2120)

I see this bill as nothing more than the use of public funds to establish private corporations for the purposes of profit to those private corporations. We in this House should be asking ourselves whether we are concerned, in terms of housing for people, with people or profits; whether we are concerned with homes, or whether we want to advance the interests of all the loan sharks and interest hounds involved in lending money. That is the question we should ask ourselves. I think the Conservatives asked themselves it and they found the answer; they came down on the side of the loan sharks and the interest hounds.

This is the second real issue of substance by way of legislation—I do not mean any of the airy motions that are put forward from time to time—that has come before this House dealing with the fundamental economic position of the people of this nation. The other was the corporation tax reduction bill. In both cases we find the Conservatives looking across at the Liberals, and the Liberals looking back, both like two long-lost lovers, kissing, cuddling and hugging, embracing each other—

An hon. Member: It isn't incestuous.

Mr. Howard: I always keep my remarks above the level of decency, Mr. Speaker. Unlike members of the Conservative party, I do not talk of incestuous relationships. I just talk about matters of substance.

Now I wish to deal with an aspect of this legislation that others in the NDP have dealt with. I have not heard any Conservative deal with it, and I probably will not. I want to deal with the lack of impact that this bill will have on the housing requirements of people in low-income groups, particularly people who live in the northern reaches of this nation—the native Indian and the Métis. What does this bill mean to them? In fact, what does housing mean to these people?

Mr. Reilly: Are you going to vote against it?

Mr. Howard: Yes, I am going to vote against it. That question from the hon. member, whoever asked it—I have forgotten his riding—indicates the degree of attention he pays to matters in this House, because a number of members of this party have already said we intend to vote against this bill. I say to the Conservative party, "Once again here is your chance. You are the guys who want an election. Here is an issue we will be glad to have one on. Stand up and be counted."

Mr. Paproski: Put it in writing and let us have an amendment now.

Mr. Howard: "Put it in writing," he says. The implication in that question is that the hon. gentleman who asked it can read, which I doubt very much.

Mr. Alexander: I rise on a point of order, Mr. Speaker. We all appreciate the entertainment that is being given to us right now, but surely the hon. member knows he should be speaking about Bill C-135. It appears to me he has lost track of everything. He should restrict his remarks to the bill in order that we can ascertain whether it is any good, rather than admonishing the Conservative party. He should really address his remarks to the Minister of State for Urban Affairs (Mr. Basford).

Mr. Howard: Curb your impatience. I will get to the minister in charge of housing. I point out to you, Mr. Speaker, that I was seriously attempting to stress how this bill will have no impact on people in low-income groups. It was at that stage that the hon. member for Hamilton West (Mr. Alexander) and others like him kept interrupting me, trying to drag me off that subject. Perhaps they are not interested in it.

Recently the Native Council of Canada, as a result of examination and of their knowledge, determined the necessity of building 30,000 homes for native people in this nation just to deal with the terrible housing situation that those people have to cope with right now, not to talk of new families, of young children growing up and getting married and of their prospects for the future. These 30,000 homes would be just to deal with the disgraceful situation right now. Of what help will this bill be to meeting that need for 30,000 homes for those native people? It will be of no help. The minister in charge of housing can chew on whatever it is he is chewing on. He can chew on whatever he likes, Mr. Speaker, but through you I say to him that this bill will be no help whatever in meeting the need for 30,000 homes experienced by the native people.

We have situations in this land where families of six or eight people, sometimes comprising two or three generations of human beings, are living in a one-room house, a one-room home, a one-room shack, a one-room hovel to put it in its proper terms. Is there any help for those people in this bill? Not a bit. It is of help to the Royal Trust Company, the National Trust Company, the predatory trust company and all the rest of those thieves and gangsters who lend money to people for homes at the most exorbitant interest rate they can charge. It is of help to them, but not to people on low incomes.

One of the things in housing matters that people tend to talk about and that CMHC tends to look at is the question of sewage facilities. Before CMHC will step into the picture and say, "Yes, we will O.K. an application for a loan," it says, "You have got to be hooked up to a sewer." There are dozens and dozens of communities in this nation where the word "sewer" is unheard of. The most advanced kind of plumbing that people know of is called a septic tank, but the standard is the old-fashioned outside toilet. I say through you, Mr. Speaker, to the minister that if he would consider sitting outside he might understand what we are talking about. If he would consider sitting out, baring his buttocks in 30 degrees or 40 degrees-below weather, he would find it is not a very comfortable experience. It does not add to your opportunities for reading, I can tell you; there is no lingering. Mr. Speaker, there is no help in this bill for that type of situation.

Of course, the minister's friends in the mortgage and financing fields, the hon. member for Hamilton West and his cohorts in the mortgage field and the legal beagles he associates with do not have to go through that type of

experience. They do not have to use outside toilets night and day, week after week, in all sorts of weather.

● (2130)

Mr. Alexander: Neither do you.

Mr. Howard: No, I do not have to; that is right. I was going to issue an invitation to the Minister of State for Urban Affairs (Mr. Basford), so I might as well do it now and include the hon. member for Hamilton West. I will gladly make the arrangements for both of those hon. gentlemen to come with me to La Loche in northern Saskatchewan, to Pine House or to my own constituency, Telegraph Creek or Cassiar. They should bring their long underwear—I do not care what brand—and the barest necessities and live with a family in those northern regions for a week this winter. Maybe they would come back to this House with a better understanding of what housing is. You bet I say to the hon. member for Hamilton West, "I don't have to"—but I know what it is like and I do not want to do it again.

Mr. Alexander: You are not alone, so don't get carried away.

Mr. Howard: I would say to the hon. member for Hamilton West, who likes to interrupt, that he would do well to go to Nova Scotia where a number of people are living at the bottom of the economic income level as well. He would recognize them and they would recognize him. If he did that and lived with those people for a week in the conditions they have to live under, and on their income, perhaps he would come back to this House with a better appreciation of what housing means.

Mr. Alexander: Mr. Speaker, I rise on a point of order. I have listened to the hon. member and I feel he is overstepping his bounds. I think this should be more or less a question of privilege. If the hon. member had guts enough to come out and say what he intended to say, then perhaps I would not have stood up. But I think the hon. member has attempted to imply that there are a number of blacks in Nova Scotia who happen to be living in such circumstances and there may be need for recognition of their plight. Surely we all know that these circumstances need to be dealt with regardless of a person's race, creed or colour.

Mr. Basford: Hear, hear!

Mr. Alexander: I think all of us in this House are very much aware of the circumstances, whether people are black or white. What I resent is the cheap NDP way that the hon. member for Skeena (Mr. Howard) is known for in terms of trying to embarrass me. I do not appreciate that.

Some hon. Members: Hear, hear!

Mr. Alexander: I just want to say, Mr. Speaker, that if he wants to bandy words with the hon. member for Hamilton West he should stand up like a man and tell me what he is thinking, instead of trying to be devious in the way he presents the subject. I know what he is talking about, and as far as I am concerned he is irresponsible. Mr. Speaker, that is the only point I wanted to make.

[Mr. Howard.]

Some hon. Members: Hear, hear!

Mr. Howard: I well appreciate the sensitivity of the hon. member, Mr. Speaker, because he knows what he is talking about in this regard.

Mr. Alexander: And you don't.

Mr. Howard: I was saying that Nova Scotia was the place where a gentleman by the name of Robert Stanfield at one time was premier.

An hon. Member: Oh, don't give us that.

Mr. Howard: I was not referring particularly to black people. I am going to tell the hon. member this, through you, Mr. Speaker—if I want to talk about black people and their condition of poverty, I will do it directly.

Mr. Alexander: Then do it.

Mr. Howard: I have never shied away from that responsibility, just the same as I do not enjoy talking about the economic plight of native people, but it is necessary to talk about it. If the hon. member for Hamilton West wants to discuss the plight of the black people in light of this bill and the effect it will have on them, he has all my support to improve housing conditions for that group of people or any group of people.

Mr. Alexander: Get back to your original theme; you have lost it.

Mr. Howard: I think it ill behooves the hon. member for Hamilton West to stand up and exhibit that kind of sensitivity and level charges against me.

Some hon. Members: Oh, oh!

Mr. Howard: I have never invited them. The fact is that he is a Conservative and the Conservatives have a terrible history when it comes to dealing with the plight of people in terrible circumstances.

An hon. Member: That is not true.

Mr. Howard: The hon. member for Hamilton West or anybody else in the Conservative party should not attempt to cover that up.

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

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

Mr. Fraser: Mr. Speaker, on a point of order.

Mr. Speaker: Order, please. The hon. member for Vancouver South (Mr. Fraser) rises on a point of order.

Mr. Fraser: Mr. Speaker, I have listened to something in the last few minutes that, as a new member, I never thought I would have to listen to. I want to dissociate myself and other members from British Columbia from the remarks of the hon. member for Skeena (Mr. Howard).

Some hon. Members: Hear, hear!

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

Mr. Marshall: Were you referring to me, Mr. Speaker?

Mr. Speaker: The hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). I do not recognize the hon. member for Ottawa West (Mr. Reilly), who should know that he can only address the House from his seat. The hon. member for Skeena (Mr. Howard).

Mr. Marshall: Mr. Speaker, I want—

Mr. Speaker: Would the hon. member resume his seat. The Chair recognizes the hon. member for Humber-St. George's-St. Barbe who seeks the floor on a point of order.

Mr. Marshall: Mr. Speaker, I think I have indicated in this House on many occasions the deplorable situation with regard to poverty-stricken people looking for housing, and for the hon. member to indicate that nobody but him has any concern for those people is absolutely ridiculous. I feel that the plight of the people of my district, whom I have mentioned on many occasions, and the deplorable condition of their housing is well understood or should be well understood. The hon. member should not take this particular direction without thinking that there are other members in this House who are just as concerned about the housing situation in all of Canada.

Mr. Speaker: Order, please. I am sure all hon. members, including the hon. member for Skeena, appreciate the point being made by the hon. member for Humber-St. George's-St. Barbe. However, it is hardly a point of order. It is perhaps a point of debate. The hon. member has the right to speak in the debate and may want to make that point later. The hon. member for Skeena.

Mr. Howard: Mr. Speaker, I am proud to stand up in this House to speak on poverty and impoverished people. If the hon. member for Vancouver South (Mr. Fraser) wants to dissociate himself from that attitude, that is his business.

Some hon. Members: Hear, hear!

Mr. Howard: Let me give an example of the concern for humanity that was exhibited a while ago which members of this House should think about when we are dealing with housing. The local of the B.C. Association of Non-Status Indians in Terrace has, as have other people of native background, taken advantage of a winter works program for which I believe there is $3.2 million available for all Canada. The purpose of this program is to assist in making homes a little more comfortable during the winter months for those who live in terrible housing conditions. The Mackenzie local in Terrace recently said, "Yes, we have a lot of members who live in poor housing conditions. Their homes are draughty and the average person would not want to live in them. But our people have to. We go through severe winters in Terrace, but the people north of us are far worse off than we are, and we want 50 per cent of the money allocated to this local for winter works programs to go to the people of northern British Columbia."

That is humanity, brotherhood, generosity and friendliness. If those feelings were exhibited by the people who draft legislation related to housing, and the people who deal with it in this House, we would be much better off and so would the people I have mentioned.

● (2140)

I have a paper in front of me which shows a number of pictures. I cannot put into words what these pictures show. An old Chinese proverb says that one picture is worth a thousand words. These are pictures of log cabins, old log homes, clapboard buildings and thin-roofed shacks. The best home in this set of pictures taken in northern British Columbia is a trailer. These are homes in which two or three generations of one family live, in which children must grow up.

That is why I asked the hon. member for Hamilton West—only because he offered—and particularly the minister in charge of housing, to live in one of these homes for one week and see what happens to people who live under these conditions. Let them see what happens to a child trying to do his homework when he is crowded into one or two rooms in which eight or ten people live. Let them see what happens to the health and dignity of people living under these intolerable conditions, why there is such a high suicide rate, a high alcoholic rate and high rate of drug use.

Anybody would turn to any sort of relief to get out of the desperate conditions under which those people must live. Those conditions are destructive of humanity. And this bill, Mr. Speaker, does not a single thing to help these people and relieve their deplorable conditions.

Not only native and Indian peoples are affected by these conditions. People who are not of Indian status also live under intolerable conditions. That is sufficient for me, regardless of the other aspects of the bill, regardless of the rip-off aspect, to vote against it.

This bill will simply provide a mechanism whereby mortgage and lending companies will get richer and richer at the expense of those who require decent homes. Apart from that, the fact that conditions such as I have described confront Indian people, Métis, native people, Caucasians in poor circumstances, black people and people of any race, colour or creed, and as this bill will not provide one bit of help to people in those economic circumstances, is sufficient reason for me to oppose it every inch of the way.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, of course this bill does not do the things which the hon. member for Skeena (Mr. Howard) has suggested it does not do. Having read the bill—and apparently I am one of those in this House who has read it—I can say that Bill C-135 seeks to establish a mortgage exchange mechanism and a corporation into which lending institutions can put money which will be used for the supply of mortgages. In short, more money is to be made available for mortgages so that the demand may be met. That seems to be the purpose of the bill.

The hon. member for York-Simcoe (Mr. Stevens) set out, for my party, our position on this bill. We suggested through the hon. member for York-Simcoe that this bill will not solve all the problems respecting the supply of

money. Further, he said that we would be seeking to move certain amendments when the bill is in committee.

I realize that this bill will not do anything about interest rates. I do not think any party in this House, Liberal NDP, Créditiste or Conservative, has a monopoly on humanity or on feelings for people. I thing that anybody who represents constituents in this House as a member of parliament feels for people. People are people. Many of us were returned to this House with fairly large majorities. Clearly, each one of us was sent here by a certain segment of the Canadian people. Therefore, nobody has a monopoly on humanity. Let us hear no more of that sort of talk.

A man came to my office and said, when we were dealing with religion, that if a man has a bible in his hand and parades it in front of you and portrays what it says, you must watch him carefully to make sure he is a Christian. I say to the NDP that a man who pleads that he is always honest is a man to watch, for you must look into his motives. The NDP always plead that they stand for humanity. If they stand for humanity, they do not need to plead that, for humanity will know where they stand. We sat here quietly because we knew that the NDP wanted to filibuster this bill, and they have done a pretty good job. The *Globe and Mail* carried a pretty good exposé this morning of the real motives of the NDP. I do not always agree with the *Globe and Mail*, but in this instance I do.

One cannot help but appreciate the NDP. Outside this House they roar like lions; inside they only roar so long as there is no danger of toppling the government. One thing is certain. There is not a Liberal party in this House; there is only a mess made up of the NDP which wants to make sure that the government survives. That is the test. The hon. member for Skeena may try to roar like a lion, but he bleats like a lamb when it comes to supporting the government. That has been his record ever since January 4.

An hon. Member: Who supported the government on this bill?

Mr. Woolliams: I realize their motivation. I know what they are up to. Naturally they call out; they do not like what I say.

Some hon. Members: Oh, oh!

Mr. Woolliams: Naturally they want to shout and yell. I can hear them even at my end of the House. Their motivation is transparent. The Minister of Transport (Mr. Marchand) was absolutely right. They will vote with the government as long as it is convenient for their political souls.

Some hon. Members: Oh, oh!

Mr. Woolliams: I want to deal with one problem respecting interest rates. The interest rates of this nation certainly will not come down with the passage of this bill or following implementation of the bill that was supposed to amend the National Housing Act. It was my party, Mr. Speaker, that introduced amendments suggesting that interest rates on direct loans made by CMHC should not exceed by more than one-half a percentage point the cost of money to the government.

An hon. Member: And what happened?

[Mr. Woolliams.]

Mr. Woolliams: I have heard asses bray but I have never seen certain people look more like asses.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Calgary North (Mr. Woolliams) has the floor.

Mr. Woolliams: We can only bring interest rates down, as I said earlier this week in the House, if the Minister of Finance (Mr. Turner) and the government come to grips with the Bank of Canada. The Bank of Canada sets the interest rates and lending institutions and banks set their prime rates about one percentage point higher. The Minister of Finance has said over and over again, on being questioned in the House, that if ever the monetary policy of the government differs from that of the Bank of Canada, the government will intervene. Only when this government has the guts to intervene with the Bank of Canada, which has increased interest rates five times since April, will the interest rates of this nation be controlled and be reduced.

If I may come back to where I started, this is merely a bill with respect to the exchange of mortgages and it will encourage lending institutions to make money available for mortgages. In other words, it will attempt to increase the supply of money and meet the demand for mortgages. That is all we are debating tonight. All the talk of the NDP is just so much show. I am sure that the members of that party respond to the kind of motivation and the kind of conscience that moved Woodsworth and Calder. However, some of them seem to have lost the very principles that created that party; and as they were created by principle, they will be destroyed without it.

• (2150)

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to make a few comments on the stormy discussions I have been hearing for a while now. We are considering Bill C-135 which, it seems, is aimed at providing the necessary capital for expansion in the construction field. Like many others, I regret that no provision was made in it regarding, for instance, the possibility of improving the lot of low or medium income people.

Now, I admit also—and I would like to be quite fair to the minister responsible—that capital is really needed. It is clear, in view of the effort being made to bring in better financing conditions in the construction field in general—that this bill is quite acceptable in itself, considering its purpose.

Now I still think, Mr. Speaker, that we should seriously consider the problem mentioned by the New Democratic Party, that is, the interest rates. Of course, we must make sure we obtain sufficient capital if we want to do better, but the important problem—and I believe that all hon. members are aware of it—is that which faces the individual, that is the problem of not being able to finance a house, which is a very natural desire for all of those who want to become homeowners.

I therefore believe that there is every reason for us to discuss the problem which was mentioned tonight. In view of the appeal made to the members of all political parties, I

think that this would be a special occasion to force the government to reconsider this bill as concerns assistance to the individual. I have nothing against this bill as such but I regret, as so many other hon. members, that it seems to favour almost exclusively those who already have money.

Now, contrarily to what my friends of the New Democratic Party would like to suggest, namely that we should force the financial institutions to lend part of their assets at rates established by the government, I would not endorse a bill which would force those who have money to lend it at lower rates than the current market. However, I think the responsibility of the government is to give, for example, a discount of 5 per cent on the interest in order to enable the individual to take advantage of a rate which could be of about 6 per cent.

It is clear—and I think that we have the evidence under our eyes—that the financing of a house is now nearly impossible for an individual with average income. Henceforth, I think the problem raised by the hon. members of the New Democratic Party is very serious and they are right when they ask the responsible minister to set up mechanisms, or at least to make a reimbursement on the interest the individuals have to pay now.

It would be a golden opportunity to call a general election. Mr. Speaker, I would be in favour of the New Democratic Party moving a motion and inviting all hon. members to vote on this. I think they would be supported by many members and we would then have accomplished something really valid for society.

We talk about increases in the cost of living, we deplore them, we ask ourselves which political party is right, but when it comes to proposing a concrete motion, we are left hanging in midair because of words which unluckily are not followed by action.

So, if we are really sincere and serious when we talk of helping directly, those who are truly in need, let us have concrete proposals, let us appeal to the hon. members who can say yes when the time comes to give precedence to the interests of the individual over that of the parties; then, we will have achieved something worthwhile for the individual. We will have enabled many a citizen to own a decent home, which is the understandable wish of many Canadians.

I would also add that the government could also help the individual considerably by cancelling the 11 per cent sales tax on building materials. I know several hon. members have already talked about this. The bill does not deal with that, and so I shall not dwell on it. But I do believe that the minister should consider that possibility, because to limit ourselves to ensuring financial institutions their security is simply not good enough. The main problem is that of helping the individual and enabling him to buy a home, thus making a better man of him, who will be more interested in assuming his responsibilities. I do feel that the point the NDP brought up this evening, that is, the need to set the maximum interest rate at 6 per cent, is altogether welcome.

I hope that the hon. members will have the courage to discuss this matter and that they will invite the government or even force it if necessary, to act in that way. I think we should be able to do it in the present context. Thus, the individual could buy a house and Parliament would have accomplished something very valuable for society.

[*English*]

Mr. Symes: Mr. Speaker, I welcome the opportunity to say a few words on this bill, but as it is approaching the hour of adjournment I will call it ten o'clock.

The Acting Speaker (Mr. Laniel): Is it agreed we call it ten o'clock?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

HIGHWAYS—PROPOSED ROAD FROM MAINE THROUGH NEW BRUNSWICK TO QUEBEC—INVESTIGATION OF FEASIBILITY

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, on Wednesday, September 12, I directed the following question to the Prime Minister (Mr. Trudeau):

> **Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. In view of the strong support recently expressed by the Governor of the State of Maine for a direct corridor road from Maine through New Brunswick to Quebec, will the Prime Minister investigate the feasibility of such a project for the economic betterment of eastern Canada?**

The Prime Minister replied:

> Mr. Speaker, naturally I want to be helpful to the Governor of Maine and to the hon. member if he is making a policy proposal. My understanding is that the people of the Maritimes are quite divided on this subject and that, depending on where you live in the Maritimes, you are either for or against that corridor road. However, I am certainly open to further persuasion, and if there is a unanimous resolution of the Conservative party, for instance, supporting this corridor road it would naturally influence me to try to do something pleasing to them.

Once the political venom is stripped away, it is mot apparent that the Prime Minister is not fully informed or yet impressed with the vital importance of the corridor road or the unity of our people in seeking it. Now is the time for every person of every political persuasion who favours this potentially great artery of commerce to unite in support of the project and dispel the myth that it is opposed by a large number of people.

With any great project or undertaking there are always those who are not in agreement and who speak against it. The hon. member for Madawaska-Victoria (Mr. Corbin) is one of these. These people have every right to express their views, but their views should not subordinate a fair and impartial investigation into the merits of the project. It is on the basis of fact, and not opinion, that this project should move forward or be dismissed. I have asked the

Prime Minister to seek the truth that it may set him free of some of the suggestions which his answer indicates he has received. Indeed, if the Prime Minister's objective is to "see it as it is," I believe he will become a supporter of this project.

The corridor road is a straight line highway through the state of Maine from the province of New Brunswick and is created by the extension of Vanceboro-Lincoln road at the New Brunswick border to the outskirts of Sherbrooke, Quebec. Over such a road it would be some 400 miles from Fredericton to Montreal, compared with nearly 600 miles at the present time over Canadian highways or some 540 miles driving through the United States. In addition to the shorter mileage involved, the construction of the modern highway envisaged by the corridor road would create a modern, new, high-speed highway free of much of the strip development which impedes progress on large parts of most of our other highways, including the Trans-Canada Highway.

● (2200)

An investigation into the merits of the corridor road will, in my opinion, reveal it to be an important, indeed a vital component of any program for economic improvement of the region. A shorter route to the markets of Quebec and Ontario would give a tremendous impetus to highway transportation of all kinds, including freight haulers, furniture vans, tank trailers, car carriers, carriers of milled lumber and fresh and frozen fish products. It would improve our access to central Canadian markets and the port of Saint John, New Brunswick. It would also bring Canadians closer together in terms of distance.

I would like to quote a few paragraphs from an address by Colonel R. L. Houston, president of the Canada-Japan Trade Council, speaking at Saint John, New Brunswick, on the occasion of Port Day, Tuesday, May 1, 1973. He said:

> Because of my conviction that you face great questions with ramifications that extend far beyond local boundaries, I would like to speak tonight of several tasks which I believe you will have to tackle as a region, if the work you do and the progress you make as a local community is to realize the greatest possible benefits.
>
> You will have to tackle them collectively because, I suggest, the problems of economic development of Saint John are the problems of economic development of the Atlantic provinces, and these, in my estimation at least, are truly national problems with which all Canadians should be concerned. By acting together, you may be able to make this evident, and command a national effort necessary for their solution. But to do so, you will have to look on this as one region, and speak to the rest of Canada with one voice.
>
> The old maxim "divide and conquer" may be a little strong in this context, but you should be aware that "divide and relieve the pressure" is still a rule practised by most popularly elected governments. If you succumb to the temptation of short-term advantage, you may find yourself pitted against your natural allies and end up a long-term loser.

I do not want anyone to end up a loser, Mr. Speaker. I want our entire region to move forward. We can make it happen in the Maritimes if we develop the arteries of commerce, the corridor road, our ports, our power potential and a system of modern highways which would bring the good things of our country to every corner of Atlantic Canada and, indeed, to Canada as a whole.

We need investment in the Maritimes to challenge the enterprise of our people, not handouts. I believe investment in these arteries of commerce and the great infrastructures challenging Atlantic Canada will enable our provinces to take their place in the councils of our nation with dignity. I have asked the Prime Minister to investigate the merits of the corridor road, and if my expectations are met he will find it has great merit and should be placed high on the agenda when the next round of negotiations takes place with the United States of America.

It is not inconceivable that the building of the corridor road by the government of the United States could well be the *quid pro quo* forming part of a general agreement on a multiplicity of matters and could be accomplished without costing us a cent.

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I wish to respond to the question raised both by the hon. member for York-Sunbury (Mr. Howie) and by the hon. member for Madawaska-Victoria (Mr. Corbin) with regard to the feasibility of what one would call a main corridor between Quebec and New Brunswick.

This matter has been discussed in one form or another since the thirties. A referendum on the issue of bonds for the construction of a highway was turned down a few years ago by the voters of Maine. I am delighted to be answering tonight because I have a motion, number 57, on the list of private members' motions proposing a *quid pro quo*, the federal government spending money on the Alaska highway equivalent to what the Americans would spend building such a corridor across Maine. Thus we could get around the difficulty created by the Maine voters turning down the bond issue.

Officials of the Department of Transport have investigated two alternative routes which would connect the Sherbrooke and Fredericton areas by passing through the state of Maine. Both routes, bypassing the present Trans-Canada Highway, would be shorter and more direct than the Trans-Canada and either of them would undoubtedly prove of benefit to the maritime provinces.

It has been established that substantial benefits would accrue to any Canadian auto travellers or freight carriers who might use this route. I am personally convinced that there is no expenditure this government could make in the Maritimes that would have more long-term and immediate effect on the Maritimes than an arrangement with the United States government for the construction of such a corridor.

The second and more costly alternative would involve the construction of new highway sections in both Quebec and Maine so as to bypass a number of towns and shorten the distance. The total saving in distance could be from 125 miles to almost 200 miles depending on where you were going in New Brunswick. In fact, it would mean travelling to P.E.I. in seven or eight hours hard driving from Montreal and perhaps 12 to 13 hours from Toronto.

It is evident that in any decision eventually made regarding this highway there would have to be full consultation and agreement with all provinces affected by such a corridor, and this obviously would include Quebec and New Brunswick in particular. If the state of Maine through the State Department indicates its interest in the

corridor to the government of Canada, the government will certainly give the matter most serious consideration.

REGIONAL ECONOMIC EXPANSION—NOVA SCOTIA—NEW INITIATIVES IN LIGHT OF RESIGNATION OF PROVINCIAL MINISTER OF DEVELOPMENT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, on September 12 I asked the Minister of Regional Economic Expansion (Mr. Jamieson) a question relating to the performance of DREE and possible new initiatives. Before mentioning some possibilities in this regard, let me deal very briefly with some of the policy statements made in the 1973-74 edition of the maritime provinces Chamber of Commerce report which I should like to put on the record. There are two major items which should be considered by this government and by the Minister of Regional Economic Expansion.

There are persistent reports that meaningful decentralization of DREE is being impeded by the reluctance of personnel of the department to relocate. I have concluded after some investigation that this is just not so. While at first this may seem reassuring, upon reflection I am not so sure it is. It appears there has been no opportunity for any reluctance on the part of employees of DREE to move, because the department has not even progressed to this stage of proceeding. It appears that no employees have been in fact classified or identified, and perhaps no employees have even been approached with the object of decentralization in mind. If this is so, it is perhaps even more disturbing than any allegation of reluctance because it indicates a lack of real progress.

I do not want to be cynical about decentralization as it is a very worth-while objective. I hope when it does come, the decision-making powers and not just bodies will be decentralized. I hope the minister is paying some heed to the recommendations of the Atlantic Development Council in their annual report for the establishment of a vehicle whereby provincial governments, the region as a group and the federal government can meet to discuss, plan and agree upon the needs of the region and the policies and the programs required to meet them.

In addition, Mr. Speaker, the foreign investment review act, Bill C-132, is obviously of great direct concern to DREE and to the slow-growth areas. As I have stated before, the aims and objects of this legislation are certainly in the national interest but the slow-growth areas of this nation may find the effects counterproductive to their own development.

This fear was reflected recently by the delegates to the convention of the Liberal party at the Chateau Laurier. The minister must, and I am confident that he will, take the opportunity to arrange for compensatory measures in order that slow-growth areas do not make more than their fair contribution to the effort to halt foreign domination of our economy. However, the slow-growth areas of this country need certain concessions. They do not need coercion; they need concessions in transport and fiscal policy and perhaps even with regard to tariffs. More than that, they definitely need some alternate source of development capital from some sort of Canadian investment or development corporation. We are looking to the minister of DREE to jealously guard and to zealously advance the interests of the slow-growth areas. His responsibilities will permit him to do no less.

• (2210)

I should also like to suggest to the minister that with regard to the Cape Breton Development Corporation he continue his enlightened and considered policies. The next step that perhaps he will consider is to appoint a person of some judicial or quasi-judicial background to continue the initiatives put in motion by himself and the committee on regional development to study and make recommendations on pensions and ancillary matters regarding Devco employees.

I want now, in the brief time left to me, to put on the record some of the recommendations of the maritime provinces Chamber of Commerce. This organization is a voluntary association of progressive business and professional citizens. It is politically non-partisan, is working for good government at all levels and is certainly concerned with the commercial, industrial and civic welfare of the Maritimes. It deserves to have, in my opinion, some real input into DREE policy. As a matter of fact, there are many other like organizations, a few of which are the Canadian Chamber of Commerce, the Northern Ontario Development Corporation, ADC, and in a real way the Canadian Labour Congress. All of these organizations have a great many sound and good policies that should be considered directly by the minister in his initiatives for DREE.

Many of the recommendations of the maritime provinces Chamber of Commerce are concerned with infrastructure. As the member who preceded me has said, some of the infrastructure concepts are fundamental to the development of the Atlantic region. The development of our marine resources, for example, is mentioned by the Chamber of Commerce. They also deal very directly and in some detail with the possibilities involved in the corridor road to which the hon. member has just referred, and come back again to this overriding concern at the moment regarding Bill C-132 and its possible effects on the region's development.

In closing, I want to quote briefly from the current policy statements of the maritime provinces Chamber of Commerce on this particular topic and to read their recommendation into the record as follows:

> That the maritime provinces make every effort to encourage new capital to the area, regardless of its source, and the Government of Canada be discouraged from implementing any national policy of limiting foreign investment in Canada without—

I emphasize the word "without".

> —taking into account regional considerations.

I hope the minister will take these representations into account when he is considering some of his options regarding regional development.

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, on behalf of the minister, and in the absence of his parliamentary secretary, the hon. member for St. Denis (Mr. Prud'homme), I wish to reply to the hon. member for Central Nova (Mr. MacKay).

The hon. member is aware from the minister's reply in the question period last Wednesday that he has had dis-

cussions with the new chairman of the Atlantic Development Council respecting DREE's role and effectiveness in the Atlantic provinces. The minister also mentioned that he would be meeting premiers from the three maritime provinces on the same subject at the council of maritime premiers. This will take place next Monday in Summerside.

With respect to DREE initiatives in Nova Scotia, the hon. member may wish to know that negotiations are proceeding very well. The details of a general development agreement are being worked out between officials of DREE and senior representatives of the Nova Scotia government. There are also a number of joint task forces considering specific areas for new initiatives. This federal-provincial effort is, of course, in addition to the regional development incentive program which is available throughout Nova Scotia as well as the special areas program which applies to the Strait of Canso and Halifax-Dartmouth areas. The minister will be making announcements respecting new initiatives as formal agreements are concluded with the government of Nova Scotia.

REGIONAL ECONOMIC EXPANSION—DATE OF TABLING OF PROGRAM FOR NORTHERN ONTARIO—HIRING OF PERSONNEL FOR NORTHERN ONTARIO OFFICES

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, on June 11, three months ago, I asked the Minister of Regional Economic Expansion (Mr. Jamieson) if he could inform the House what action the government was intending to take with respect to economic development in northern Ontario. The minister at that time advised me that his department was holding meetings with the provincial government and that another meeting was scheduled for the week of June 18. He also said:

> One of the preliminary matters they will be discussing is ways and means by which we can make a bigger impact on regional development in northern Ontario.

Yet yesterday, when I asked the minister whether he could inform us when the government intends to table its program for industrial development in northern Ontario, I was treated to the standard answer. He said:

> I do not know the precise date but . . . the negotiations with the government of Ontario are proceeding very well.

He then predicted that it should not take more than a matter of a month or a few weeks. I must say that until very recently I was finding it somewhat difficult to believe that these much heralded talks were actually taking place. My worry now, however, is whether they are ever going to end. By the way, Mr. Speaker, I am not suggesting that the federal Liberals and the provincial Tories should stop talking altogether. In northern Ontario we have been listening to the Liberals for 50 years, and the Tories for 30, and if they ever stopped talking, the silence would be absolutely deafening. What I am saying is that it is time they started doing something beside holding tea parties in Toronto and Ottawa.

The minister can surely not say that he has not been made aware of the realities of northern Ontario. Our problems are most serious and pressing. The minister has assured me on countless occasions that he knows what our problems are. He has assured me that he shares my sense

[Mr. Turner (London East).]

of urgency. I say that if this is so, it is time he did something about it.

We heard a good deal about the so-called reorganization of DREE. I want to talk about this because I think it points up very accurately the complete lack of sensitivity and even common sense on the part of this government toward those areas which are in need of solutions, not empty gestures. For all the foo-farra about decentralization, which I think is an excellent program when carried out with some intelligence, what happens in Ontario? We get a regional office in Toronto. Yes, we get a sub-office in Thunder Bay. But I want to know, why should an office dealing with regional economic disparities in Northern Ontario be located in Toronto?

If anything has contributed to the underdevelopment of northern Ontario, it has been the centralization of government and everything else in Toronto and the consequent insensitivity to, and ignorance of, the needs of the north. I note that the Maritimes will have six offices for an area smaller than northern Ontario in geographic size and not much bigger in population, while northern Ontario will have only one.

The Maritimes surely need the six offices, but by the same token northern Ontario needs more than a sub-office in Thunder Bay. Indeed, where do the plans for decentralization stand at this time? Just last week the minister was quoted as saying that public servants with roots in Ottawa are throwing a monkeywrench into DREE's decentralization machinery. Yet the Public Service Alliance spokesman for these employees says that not one DREE employee has been asked to move to a regional post. It is the middle of September and apparently nobody has been asked to move yet.

I call on the minister to get serious about decentralization of DREE. If he cannot get civil servants in Ottawa to move to northern Ontario, I point out to him that there are many capable and experienced people in northern Ontario who could be seconded by the government to staff DREE offices there.

● (2220)

I call on the government to become serious about the disadvantaged area of northern Ontario. At present there are nine Liberal seats out of a possible 12 in northern Ontario. I suggest that unless this government becomes far more serious about our area than it has shown itself to be in the past and present, it will not have many of those seats left after the next federal election.

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I wish to reply to the hon. member for Nickel Belt (Mr. Rodriguez) on the minister's behalf. There has been considerable progress in the discussions between officials of DREE and the government of Ontario. Hon. members will be aware that in May and June the Minister of Regional Economic Expansion (Mr. Jamieson) met with each of the provincial governments to consider ways in which DREE programs and policies could be more effectively utilized throughout Canada. This action was well received by the provinces, and joint federal-provincial working parties have since been dealing with the details of new general development agreements. The

minister has also had discussions with elected officials from northern Canada and with the Minister of Indian Affairs and Northern Development (Mr. Chrétien) on the extension of DREE activities in the north.

The negotiations with the province of Ontario are proceeding very well. However, the approach being considered is much broader than that which the hon. member may have had in mind when he referred, in his question to the minister on Monday, to a program of industrial development. Industrial development is part of it, but also included in the over-all package under consideration with the province of Ontario will be socially-oriented programs, community services, service industries, as well as tourism. This broader approach appears to be most desirable and is in accord with the objectives of the decentralization to which the hon. member has referred. Announcements will be made when the minister has received the necessary authority and formal agreements have been completed with the province.

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Wednesday, September 19, 1973

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. JELINEK—ALLEGED CONFLICT OF INTEREST RESPECTING TELEVISION COVERAGE OF OLYMPIC GAMES—ATTEMPT TO INTIMIDATE

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I rise on a question of privilege dealing with a matter which has now been made public through the media and as a result my integrity in debating and voting on matters concerning the public business that comes before this chamber may be questioned by a portion of the public.

The facts are that during the oral question period on Monday, September 17, I directed a question to the Prime Minister concerning television coverage of the Olympic games. The question and answer are to be found on page 6626 of *Hansard*. At about 4.30 that afternoon I received a telephone call in my parliamentary office. The caller identified himself as an employee of the Canadian Broadcasting Corporation. He refused to give his name. He stated he wanted to do me a favour, namely, to warn me to cease asking further questions on the subject I had raised that afternoon in the oral question period. Otherwise, he continued, it would be publicly alleged that I had a contract with CTV and therefore a conflict of interest.

The following day, yesterday, I attempted to be recognized during the oral question period without success. However, upon going into the opposition lobby when the question period ended I received another telephone call. This time, in less courteous terms, I was told that for my own good I had better lay off my inquiries into the television coverage of the Olympic games. Again, the caller did not identify himself by name.

I need not cite to you, Mr. Speaker, the precedents which establish how seriously the House regards any attempt to intimidate a member in the performance of his duties. I also need not point out to all hon. members how difficult it can be for a member to refute allegations made against him of conflict of interest. It is extremely difficult, sometimes impossible, for him to do this by himself. When the accuser is nameless, the member cannot have recourse to the courts to clear his name. I therefore take this opportunity to assure the House that in no way am I involved in a conflict of interest in this matter or in any other. Should any member feel disposed to call me before a standing committee of the House to investigate this matter, I would be more than willing to comply.

Mr. Speaker: The hon. member for High Park-Humber Valley has given the Chair the notice required under the Standing Order. Since receiving the notice I have had an opportunity to consider all aspects of the matter raised by the hon. member.

The House will appreciate that there is some difficulty in finding a prima facie case of privilege in circumstances where no charge has been made and there has been no suggestion in the House of any irregularity or impropriety. There is really nothing for the House or one of its committees to consider under the heading of privilege. Indeed, we have no motion before us to this effect. At the same time, I have no hesitation in reaffirming the principle that parliamentary privilege includes the right of a member to discharge his responsibilities as a member of the House free from threats or attempts at intimidation.

The hon. member has made his position clear. In view of all circumstances, I would think no further action by the House should be required at this time.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I rise on the question of privilege. I just want to say, in view of the absence of the minister responsible for the CBC, that I can say without any danger that any person alleging to be speaking on behalf of the CBC would obviously be lying. I do not believe there was any indication in the hon. member's statement that he was impugning the CBC for acting in this way. I just want to assure him that it is inconceivable to me, and I am sure to the House, that the CBC would approach a member of parliament in that way.

• (1410)

Mr. Baldwin: If the Prime Minister wants to wait until the minister returns to defend the action of the CBC, then I think we should have a debate on the issue.

Mr. Speaker: I would assume it is not the wish of hon. members that this matter be sent to the Standing Committee on Privileges and Elections. I am sure hon. members are not serious in making that suggestion. I am sure the hon. member for High Park-Humber Valley does not suggest that his conduct should be sent to the committee for consideration or investigation by it.

My suggestion is that the situation is very clear, very simple and uncomplicated. The hon. member has indicated what the facts of the situation are. We have to accept his statement that these are the facts, and in the circumstances I suggest that nothing at all would be gained by having a debate, either in the House or in a committee, on the matter raised by the hon. member for High Park-Humber Valley.

Mr. Lewis: Mr. Speaker, on the same point and despite what you have said, I point out to Your Honour that the hon. member who raised the point of privilege informed the House that someone who would not give his name, and who represented himself to be an employee of the CBC,

said certain things. I rise because the hon. member for Peace River (Mr. Baldwin), on the basis of that kind of statement, said that the CBC had to be defended. I think that is shameful.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lewis: There is not a title of evidence that it was an employee of the CBC, and even less evidence that the CBC had anything to do with it. For the hon. member for Peace River to take this opportunity to show his prejudice against this publicly owned company is shameful.

Some hon. Members: Hear hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. By this time perhaps hon. members will agree that there was some wisdom in the suggestion of the Chair that the matter should not be pursued.

Mr. Baldwin: Mr. Speaker, the hon. member for York South (Mr. Lewis) suggested that my conduct was shameful. I had the opportunity to hear what the hon. member who raised the question of privilege had to say. While there may be some doubt about the evidence, in my opinion he made a very strong case and I think I was entitled to say what I did.

Some hon. Members: Oh, oh!

Mr. Baldwin: If these babblers over yonder want to go on record as saying that if the CBC did these things it should be defended, let them do so.

Mr. Speaker: Order, please. I seek the co-operation of hon. members. It seems to me that we are getting away from the point raised originally by the member for High Park-Humber Valley. There is now a debate over alleged conduct of the CBC. I doubt whether we should get involved in debate on this point.

Mr. Lewis: I am very sorry, Mr. Speaker, but the last words of the hon. member for Peace River are even more shameful. If there were the slighest evidence that the CBC had anything to do with this, of course I would be condemning it as much as anyone else. The hon. member had no right to say what he did.

Mr. Baldwin: I said it, and I am damned glad I did.

Mr. Speaker: Order, please. Perhaps we might move to the next item of business. Possibly it will be less contentious than this one.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

RIGHTS OF NEWFOUNDLAND UNDER TERMS OF UNION WITH CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, pursuant to Standing Order 43 I rise to present a motion of urgent and pressing necessity. In view of the serious problems with respect to the transportation of goods, etc., from the Canadian mainland to the province of Newfoundland and the Minister of Transport's obvious attempt to ignore the constitutional rights of Newfoundlanders, as agreed to in the Terms of Union between Newfoundland and Canada in 1949, I move, seconded by the hon. member for Gander-Twillingate (Mr. Lundrigan):

That this House instruct the Minister of Transport to ensure that the constitutional rights of the province of Newfoundland as agreed to under Term 32 in the Terms of Union shall be upheld.

And I further move:

That this House disassociate itself from the derogatory remark made by the Minister of Transport, as cited on page 6670 of *Hansard*.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

EXTERNAL AFFAIRS

IMPRISONMENT OF RONALD PATRICK LIPPERT IN CUBA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to request unanimous consent to move a motion under the provisions of Standing Order 43 and I hope, in the interests of a Canadian in distress abroad, that the House will consider unanimous consent.

In view of the statement made yesterday morning in Gander, Newfoundland, by Prime Minister Fidel Castro of Cuba that he is willing to examine the case of Canadian citizen, Ronald Patrick Lippert, imprisoned in Cuba for the past ten years, this House respectfully requests the Prime Minister of Canada to personally take up with Premier Castro the matter of possible release for Mr. Lippert as soon as possible.

Mr. Speaker: Under the provisions of Standing Order 43 this motion also requires unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

HOUSE OF COMMONS

BENEFITS AND PRIVILEGES ACCORDED NEW DEMOCRATS AS OPPOSITION PARTY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Speaker: Perhaps I might refer to a small incident which happened yesterday when the hon. member for Leeds (Mr. Cossitt) proposed a motion under Standing Order 43 which had reference to the position of the New Democratic Party in the House. I was looking at the hon. member and he was looking in the direction of the Chair as he proposed this motion, and I think we agreed that his motion was perhaps actually made with tongue in cheek. The Chair took it that this was so, and in conversation the hon. member has confirmed to me that he really did not expect that the Chair would put the motion. It was on this basis and in the same vein that I said the matter would be taken under advisement. I regret very much if either the motion of the hon. member or the comment of the Chair was taken too seriously.

* * *

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

On the order: Motions:

April 4, 1973—Mr. Howard:

That the second report of the Standing Committee on Indian Affairs and Northern Development, presented to the House on April 4, 1973, be concurred in.

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to proceed with this motion today if I may.

Mr. Speaker: The hon. member wishes to proceed with the motion. As he knows, a point of order was raised previously. I would be pleased to hear him on the point of order, and this time the matter would be taken under advisement seriously. In view of the importance of the point of order which was raised before and debated in the House I would be prepared to make a ruling, and I am sure this is what the hon. member has in mind.

Mr. Howard: Mr. Speaker, the motion relates to endorsement of the second report of the Standing Committee on Indian Affairs and Northern Development which made some recommendations to the House on the subject matter of aboriginal rights. It asks the House to endorse the concept of aboriginal rights. A preceding motion dealing with the same report and the same subject matter was introduced and moved by the hon. member for Kingston and the Islands (Miss MacDonald) some months ago. It was debated for one whole day and, as I understand the procedure and rules, was subsequently transferred to government orders. Therefore it is lost to the House and cannot be revived unless the government should think it worth while to do so.

There is a rule in Beauchesne called the anticipation rule. It is Citation 131, and I should like to read the first paragraph:

In determining whether a discussion is out of order on the ground of anticipation, regard shall be had by Mr. Speaker to the probability of the matter anticipated being brought before the House within a reasonable time.

I think my motion can only be ruled out of order on the ground of anticipation, because the preceding debate was held to be in order. It is the question of the determination by Mr. Speaker of the probability of the subject matter of the motion, namely, aboriginal rights, and the report of the Standing Committee on Indian Affairs and Northern Development being brought before the House within a reasonable period of time that should be settled. It is some five months since the motion of the hon. member for Kingston and the Islands for concurrence in the second report of the committee was brought before the House, debated and then moved from motions to government orders.

• (1420)

The anticipation rule has been in the rules of procedure of the House for many years prior to 1968-69 when the House embarked upon a new structure and concept regarding the operation of the standing committees. The rules at that time were revised to give the standing committees of the House a much larger role than they had had previously. For example, estimates are automatically referred to committees. The practice of referring annual reports of departments or agencies of government is now commonplace. The practice of establishing special committees such as the Food Prices Committee is more commonplace now than prior to 1969. Therefore, I think the anticipation rule must be read in conjunction with what parliament has conceived shall be the function and role of committees.

This House referred a certain subject matter to the Standing Committee on Indian Affairs and Northern Development. That committee saw fit to make a recommendation to the House on April 3 or 4 on the subject matter of aboriginal rights. I believe that not only is the House entitled to expect reports from committees to which it refers subject matters, but if a committee of the House, which is a committee of all the House and not just one part of it, makes recommendations the House of Commons which set up the committee and referred the subject matter to it is entitled also to be able to approve or disapprove of the recommendations. It should be able to respond by vote to the particular recommendations of any committee.

I submit that the government is abusing the principal concept of the rule of anticipation with respect to the House making a decision about a subject matter referred to a committee, about which the committee has made a recommendation. The government has virtually swept aside the question of aboriginal rights and has virtually denied the House the opportunity to pass judgment on the recommendations of that committee. At no time since April, when the subject matter was debated, has the leader of the House once indicated that the motion under government orders standing in the name of the hon. member for Kingston and the Islands for concurrence in the second report of the standing committee would be listed as an item to be brought forward for debate in the House. At no time in the discussions between House leaders has there been any indication that the subject matter to which I have referred is to be entered on the agenda for debate.

There is no expectation whatsoever that the subject matter of aboriginal rights, under the heading of the motion moved by the hon. member for Kingston and the Islands, will be brought forward again by the government.

I submit, therefore, that Your Honour must look at this matter in light of the probability of the matter anticipated, the second report of the Indian affairs committee, being brought before the House within a reasonable time. That is not a valid expectation. The government has declared that it has no intention of letting that subject matter come to a vote. The Minister of Indian Affairs and Northern Development (Mr. Chrétien) has said he is not going to permit parliament to vote upon the report of that committee because he disagrees with it. In a parliamentary democracy such as we operate under, no one man should be able to deny the will of the majority to vote upon a matter. That is what is involved.

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

Mr. Speaker: Order, please. Will the hon. member please resume his seat. The Minister rises on a question of privilege. Perhaps the hon. member will allow the Chair to hear the minister, after which I will continue to hear the hon. member.

Mr. Chrétien: Mr. Speaker, the hon. member for Skeena (Mr. Howard) said that I denied or refused something or said that this matter will never be debated. I never said that and I ask the hon. member to withdraw that statement.

Mr. Speaker: Order, please. I really do not think that the hon. member for Skeena has to withdraw the allegation. This is debate between the hon. member and the minister. We are on a point of order. The minister can take part in the debate on the point of order. We have until five or six o'clock this afternoon, so that we have ample time to hear the hon. member, the minister, and others who may want to take part in this interesting discussion.

Mr. Howard: Mr. Speaker, that was a very wise decision you made. Even though there was not a question of privilege, and the minister knew it, if the minister is now saying that he is prepared to bring that item before the House again for debate and vote, I will gladly sit down and withdraw my motion. Will the minister say that? No, he will not. That indicates that Your Honour must ask yourself about the probability of the matter anticipated, the second report of the Standing Committee on Indian Affairs and Northern Development relating to aboriginal rights, being brought before the House within a reasonable time. I think one must conclude it will not be brought before the House within a reasonable time. As far as the government is concerned, it will not be brought forward at all during this session. Therefore this motion should be held to be in order so that the House can proceed to debate the issue and vote on whether the House endorses the concept of aboriginal rights rather than one man denying the House that opportunity as is the case at the moment.

Mr. Speaker: The hon. member will appreciate what was indicated to him earlier in the debate, that perhaps the Chair should take the matter under advisement. The objection of the Chair, of course, is not to the regularity of the motion in the sense that it can be allowed to stay on the order paper. The question is whether it can be debated at this or another time while the other motion is still before the House under government orders. That is the difficulty of the Chair. The hon. member has presented an interesting argument which will be considered in due course.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[*Text*]

COST OF PRIME MINISTER'S RESIDENCE

Question No. 1,844—**Mr. Stackhouse:**

1. What was the cost of the Prime Minister's residence to the government in 1962, 1965, 1969, 1971 and 1972?

2. How many employees, paid by the government, were on the staff of the Prime Minister's residence in the above years?

3. How much money was paid by the government for entertainment at the Prime Minister's residence in the above years?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): In so far as PMO/PCO is concerned:

	1962-63	1965-66	1969-70	1971-72	1972-73
1. Total cost*	$22,205	$34,018	$38,959	$48,857	**$51,800
2. Man-years provided	7	7	7	7	7
3. Entertainment* (included in 1 above)	$ 2,044	$ 6,144	$ 3,307	$ 2,715	**$ 2,647

*The Prime Minister's personal payment of $5,000 per annum for food and lodging (credited to the Consolidated Revenue Fund during the period April 1st, 1962 to October 31, 1972) has not been deducted from 1 above.

**Forecast expenditure.

NOTE: Expenditures given in 1 reflect the cost of maintaining the Prime Minister's residence in accordance with the Official Residences Act and includes staff salaries, utilities, materials, supplies, entertainment and sundry expenses.

In so far as the Department of Public Works is concerned: 1. 1962-63, $8,016; 1965-66, $15,418; 1969-70, $23,174; 1971-72, $41,602; 1972-73, $37,751.

2. Two.

3. N/A.

*LOAN TO LIGHT-SERVICOS DE ELECTRICIDADE SA, RIO DE JANEIRO

Question No. 2,196—**Mr. Reynolds:**

1. With respect to answer to Question No. 1,720 as recorded at page 4,373 of *Hansard*, June 4, 1973, did any government agency or Crown Corporation make such loan of $26 million to Light-Servicos De Electricidade SA?

2. Will the government undertake to provide the following information (a) is Light-Servicos De Electricidade SA, Rio de Janeiro owned in any part by Brascan and, if so, for what percentage (b) was Brascan formerly called Brazilian Traction Light and Power Company and were Messrs. Mitchell Sharp, Robert Winters and Jack Nicholson at one time officers in this company (c) does the government plan to acquire a share in Brascan similar to the negotiations of the British Columbia government to purchase interest in a Brascan coal venture (Sukunica, in the Peace River vicinity)?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in so far as Export Development Corporation is concerned: 1. On December 15, 1972 it signed an agreement for the provision of financing in the amount of $26.5 million to Light-Servicos de Electricidade S.A., to support an export sale of Canadian goods and services.

In so far as the Department of Industry, Trade and Commerce is concerned: 2. (a) This information is not available. (b) This information is not available. (c) No.

AMARANTH RED No. 2

Question No. 2,217—**Mr. Reynolds:**

1. Is the government considering banning a substance called Amaranth Red No. 2 or simply, Red 2, currently used in a large variety of foods, drinks and cosmetics?

2. What research has the Food and Drug Directorate made into Red 2 and the reported harmful effects it is having on human reproduction?

3. What input has the Canadian Food and Drug Directorate had towards the FDA in the United States on Red 2 and what feedback from the FDA have we received?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Amaranth (or FD and C Red No. 2, as it is called in the United States) has been the subject of intensive international investigation since 1970, yet results are still inconclusive. As recently as 1972, a sub-committee of the National Academy of Sciences recommended that there was insufficient reason to take measures to reduce the extent of human exposure to this food colour. Based upon all currently available scientific information regarding the levels of use and toxicological data on amaranth, the Department is of the opinion that no restrictive action is warranted at this time.

2. The Health Protection Branch maintains close contact with scientists engaged in this work in the United States and in other parts of the world.

3. Results of international investigation have been inconclusive, although tests presently being conducted by the United States' Food and Drug Administration are expected to provide more conclusive data. Correspondence and direct communication is continuing between Health Protection Branch scientists and their U.S. counterparts to ensure that action appropriate to the findings may be quickly taken.

HEAVY ICEBREAKERS—INTERNATIONAL STANDARDS

Question No. 2,343—**Mr. Forrestall:**

Do all heavy icebreakers, as listed in answer to Question No. 1,900, conform with internationally accepted standards as laid down by "Janes Fighting Ships" and, if not, whose description of heavy icebreaker do they meet?

Hon. Jean Marchand (Minister of Transport): "Janes Fighting Ships" is not a regulatory society and does not prescribe standards for ships. The term "heavy icebreaker" describes an icebreaker with a minimum of 9,000 shaft horsepower capable of operating in the continuous mode through first year sea ice up to three feet thick and is a Canadian Coast Guard designation.

EMPLOYMENT OF MR. A. B. SULATYCKY

Question No. 2,372—**Mr. Coates:**

1. Is Mr. Allen B. Sulatycky employed or retained by the government for (a) services to the Banff Advisory Council (b) any other purpose and, if so, in each case, what is (i) the nature of his responsibility (ii) the rate of remuneration (iii) the date of commencement of the association (iv) the projected date of termination of the association?

2. In each case (a) what are the specific qualifications or other reasons that cause Mr. Sulatycky to be employed or retained (b) was any other lawyer or person considered for that employment or retention?

3. Was Mr. Sulatycky a Liberal Member of Parliament for Rocky Mountain constituency prior to the election of October 30, 1972?

4. Is Mr. Sulatycky a member of the Board of Panarctic Oils Limited and, if so (a) on what date was he appointed (b) for what reason was he appointed?

5. If Mr. Sulatycky is a member of the Board of Panarctic Oils Limited, is he a representative on that Board of (a) the government (b) the petroleum industry (c) the public?

6. If Mr. Sulatycky is a member of the Board of Panarctic Oils representing anyone other than the government, does a conflict of interest arise because he is employed or retained by the government for any other purpose?

7. Does Mr. Sulatycky now serve or has he ever served as counsel for groups or persons in their dealings with (a) the Department of Indian Affairs and Northern Development (b) any other government department?

8. If Mr. Sulatycky does serve, or has served as counsel in such circumstances, does a conflict of interest arise because he is employed or retained by the government for any other purpose?

9. Did Mr. Sulatycky ever serve as Parliamentary Secretary to the Minister of Indian Affairs and Northern Development and, if so (a) during what period (b) with what specific responsibilities?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Indian Affairs and Northern Development as follows: 1. (a) No; (b) No.

2. (a) and (b) Not applicable.

3. Yes.

4. Yes, (a) March 23, 1972; (b) Mr. Sulatycky's past experience and knowledge appear to the government to be relevant to his appointment as Crown representative on the Panarctic board.

5. As a Crown nominee, Mr. Sulatycky is a representative of the Government.

6. Not applicable.

7. (a) Mr. Sulatycky has been retained as a Counsel by the Banff Advisory Council. (b) No.

8. No.

9. Yes. (a) February 3, 1972—October 30, 1972; (b) regular responsibilities as assigned to all Parliamentary Secretaries.

FREIGHT RATE SUBSIDIES TO AID ATLANTIC REGION SHIPPERS

Question No. 2,522—**Mr. Marshall:**

1. Has the Federal-Provincial Committee on Atlantic Region Transportation finalized recommendations for selective increases in westbound freight rate subsidies to aid Atlantic Region shippers in reaching central Canadian markets?

2. What is the general basis of eligibility under selectivity criteria developed?

3. Have shippers submitted to their respective provincial governments the names of the commodities which they wish to have considered and, if so, what are they?

Hon. Jean Marchand (Minister of Transport): 1. The Federal-Provincial Committee on Altantic Region Transportation is in the process of receiving suggestions from companies in the region for commodities to which an additional westbound subsidy might apply. Response to an advertisement seeking this input run by provincial governments in the regional press at the end of July is not yet complete.

2. The general guidelines for eligibility were outlined in the advertisement as follows: (a) Eligibility will be determined on a selective basis for manufactured commodities using as a selection basis the degree of economic activity in the region associated with their manufacturer. (b) Most agricultural and fisheries products will be eligible. (c) Movements of import and export commodities will not be eligible. (d) The additional subsidies shall be paid initially directly to carriers by the Federal Government on the basis of waybills submitted. It is the intention to pay the additional subsidies only to those carriers whose filed rates reflect reductions corresponding to the increased amount of subsidy. (e) Individual shipments having a total freight cost of less than $100 will not be eligible. (f) Industries producing commodities not considered to be eligible, and industries producing new commodities not moving westbound from the select territory at the time of the initial commodity review will be able to apply for a reassessment of their eligibility.

3. Response to question 1 covers this item.

RENTS ON INDIAN RESERVATIONS

Question No. 2,524—**Mr. Godin:**

1. What organization regulates the level of rents on Indian reservations?

[Mr. Reid.]

2. On Indian reservations, are tenants exempted from paying school and municipal taxes on single-family or apartment dwellings?

3. What is the average rental cost, per square foot, on Indian reservations in (a) Manitoba (b) Ontario (c) Quebec?

Hon. Jean Chretien (Minister of Indian Affairs and Northern Development): 1. Individual home owners set the rental rate of individually owned houses on reserves. Similarly, Band Councils set the rental rate of Band owned units on reserves. There are instances where government-owned housing units are located on Indian Reserve land and the rental for these are established by Federal Government regulations. There are no other agencies which regulate the levels of rent for houses on Indian Reserves.

2. Indians living on reservations do not pay school and municipal taxes. However, the interests of a non-Indian in leased reserve lands, including buildings thereon, pursuant to provincial legislation is liable for local realty assessment and taxation in all provinces except Alberta and Saskatchewan. In these latter two provinces although the provinces may retain this right, it is not utilized. There are instances where Indian Bands sometimes charge "user fees" to Indian occupants of single family dwellings for the purpose of off-setting costs of repair, maintenance and perhaps reconstruction of utility service lines. However, such user fees are not considered taxes.

3. As the Department of Indian and Northern Affairs does not control rents charged for housing on Indian Reserves, it does not have any information regarding the average rental costs per square foot on Indian Reserves in (a) Manitoba, (b) Ontario or (c) Quebec.

EXECUTIONS AND PENITENTIARY COSTS

Question No. 2,540—**Mr. Olaussen:**

In each year 1962 to 1972 (a) what was the average cost to taxpayers for each prisoner (b) what were the total prison costs and prisoner maintenance (c) what was the number of (i) people executed for capital murder (ii) capital murders?

Hon. Warren Allmand (Solicitor General): By the Ministry of the Solicitor General (a) and (b):

Fiscal Year	Average per Inmate	Total Penitentiary Costs*	Inmate Maintenance
	$	$	$
1962-63	3,380	23,964,504	19,523,611
1963-64	3,543	26,370,974	20,419,291
1964-65	4,837	37,434,193	23,792,278
1965-66	7,063	54,775,096	26,601,430
1966-67	7,915	57,304,867	37,114,840
1967-68	8,882	63,229,000	40,151,000
1968-69	8,646	61,172,328	47,402,487
1969-70	9,289	67,063,199	51,121,623
1970-71	9,720	70,496,390	56,477,072
1971-72	9,325	79,815,206	65,677,968

*Includes inmate maintenance.

(c) (i) 1962, two, 1963 through 1972, nil. (ii) 1962, 11; 1963, 9; 1964, 5; 1965, 14; 1966, 10; 1967, 9; 1968, 1; 1969, 0; 1970, 3; 1971, 0; 1972, 2 (still under appeal).

———

NOTE: Calendar year shown is that in which conviction occurred.

ST. LAWRENCE SEAWAY SYSTEM IMPROVEMENTS

Question No. 2,547—**Mr. McCain:**

1. What major developments are planned for improvements and repairs to the St. Lawrence Seaway system over the next ten years?

2. (a) What is the Canadian share of the estimated cost of these future additions and developments (b) at what times is construction estimated to begin?

Hon. Jean Marchand (Minister of Transport): The St. Lawrence Seaway Authority advises as follows: 1. (i) The installation of a ship alignment and mooring system at Lock 7 of the Welland Canal. This is an installation of mechanical devices, designed to guide vessels into and out of a lock chamber and to provide an independent means of holding a vessel in a predetermined position during the lockage operation. (ii) A study programme which will indicate the technical feasibility, environmental acceptability and economic justification for extending the navigation season. (iii) The following three developments and improvements related to computerized traffic control in the Seaway: An integrated marine traffic information and control system, which is a computerized system to enhance marine safety, increase the efficiency of moving cargo through the Seaway and so extend the capacity and life of the present facilities. An automated vessel location and identification system. This is a sub-system of the traffic control system described above to automatically identify and track vessels to further enhance safety and scheduling by continuously monitoring vessel positions using the input of transponder signals from the ships into the computers. A Seaway information service. This system is a revenue-producing by-product of the above traffic control system whereby information concerning vessel movements will be available to industry upon subscription.

2. (a) (i) 100 per cent Canadian. (ii) The Canadian study program will be paid for entirely by Canada. In the same manner, U.S. study programs are paid entirely by the U.S. (iii) Integrated Marine Traffic Information and Control System, 86 per cent. Automatic Vessel Location and Identification System—cost sharing agreements not yet completed. Seaway Information System, 100 per cent. (b) (i) 1974. (ii) Study program to begin in 1974. (iii) Integrated Marine Traffic Information and Control System, 1973. Automatic Vessel Location and Identification System, 1974. Seaway Information System, 1973.

Order Paper Questions

ROUYN AIRPORT

Question No. 2,558—**Mr. Caouette (Témiscamingue):**

Has the Department of Transport completed any studies of the airport at Rouyn in view of (a) making repairs (b) lengthening the landing strip in order to facilitate the landing of DC-9 jetliners and, if so (i) on what date is the work scheduled to start (ii) what amount of money will be attributed to these alterations?

Hon. Jean Marchand (Minister of Transport): On June 6 a contract for an economic study was arranged with Mr. Jean-Pierre Brassard, Bureau of Management Consulting, Place Canada, Montreal. This Economic study includes not only the Rouyn Airport but also Val-d'Or Airport and the D.N.D. requirements for that location. This Economic study is forecast to be completed by September 20, 1973. The Ministry will not be making any decision on major improvements to the Rouyn Airport until this study is complete.

R-CLASS ICEBREAKERS IN CANADA'S ARCTIC ARCHIPELAGO

Question No. 2,563—**Mr. Forrestall:**

1. With reference to the answer to Question No. 2,229 (2), what specific usefulness in Canada's Arctic Archipelago will the proposed R-Class icebreakers, with a capability for continuous progress through only 3 foot ice have, in light of the fact that new ice normally attains a thickness of five to six feet in the first year, and grows to eight or nine feet in its second year of accumulation, in terms of length of operation, in areas of operation as defined by the Arctic Shipping Safety Control Zones (a) during the short summer shipping season (b) outside the short summer shipping season?

2. Does the government intend to employ any of the proposed R-Class icebreakers in Canada's Arctic Archipelago and, if so, at what approximate dates will such deployment be made?

Hon. Jean Marchand (Minister of Transport): 1. (a) Based on a short summer shipping season of July 23-October 25 for Hudson Strait, Hudson Bay and Lower Arctic and of August 1-October 15 for Lancaster Sound and the eastern High Arctic, the R-Class Icebreakers will be able to operate in these areas without restriction throughout the short summer shipping season in the Arctic. (b) The R-Class Icebreakers will be capable of effective operations, outside the short summer shipping season, in areas and for periods of operation as follows:

Zone	Extended Operations Season
3	July 25-August 1
4	July 20-July 23 and October 25-November 5
6	October 15-November 20
7	July 20-July 23 and October 25-December 15
8	July 20-July 23 and October 25-December 31
9	July 20-July 23 and October 25-January 20
10	July 15-July 23 and October 25-January 25

Zone	Extended Operations Season
11	July 5-July 23 and October 25-December 15
12	June 10-July 23 and October 25-December 31
13	June 10-August 1 and October 15-December 31
14	June 20-July 23 and October 25-January 16
15	June 20-July 23 and October 25-January 31
16	June 5-July 23 and October 25-January 10

2. Yes. The Ministry of Transport intends to employ the R-Class Icebreakers in the Arctic from approximately July 1 to October 31 each year during which period of time commercial shipping, with its limited icebreaking capability, is operating in the Arctic Archipelago.

R-CLASS ICEBREAKERS AS SUBSTITUTE FOR POLAR-CLASS ICEBREAKER

Question No. 2,564—**Mr. Forrestall:**

With reference to the answer to Question No. 2,229 (2), does the government intend in any way to employ the proposed R-Class icebreakers as a substitute for a large, truly polar-class icebreaker with capability for virtual twelve-month operations in assist to extractive and other operations in Canada's Arctic Archipelago?

Hon. Jean Marchand (Minister of Transport): No, but depending on conditions, they may well be used to supplement the operations of any larger class icebreaker.

SPEED OF PROPOSED R-CLASS ICEBREAKERS

Question No. 2,565—**Mr. Forrestall:**

1. What maximum speed, and what minimum speed will the proposed R-Class icebreakers be able to maintain in the continuous progress made in, for example, search and rescue operations, for each of the Zones as outlined in the Arctic Shipping Safety Control Zones, for each of the months from July to February?

2. What alternative icebreaker facilities will be available from the Canadian Coast Guard to assist in search and rescue operations, and particularly rescue functions, for the months in which the proposed R-Class icebreakers are of absolutely no use in specific Zones as outlined in Part 1?

Hon. Jean Marchand (Minister of Transport): 1. Depending upon the existing ice conditions found in the Zones between July and February which vary greatly from open water to multi-year ice of up to 9 foot thickness, the continuous progress mode speed of the R-Class Icebreaker will likewise vary from a maximum of 16 knots to a minimum of zero knots.

2. Bearing in mind that commercial traffic is not presently in the north prior to July 1 or after October 31 each year, and that no marine search and rescue incidents are normally to be expected outside this period, the *CCGS Louis S. St. Laurent* and the *CCGS John A. Macdonald* would be made available to assist in any search and rescue operations that may occur beyond the seasonal operating period of the R-Class Icebreakers in the north.

[Mr. Marchand (Langelier).]

DREE—GRANT TO SAUNDERS AIRCRAFT CORPORATION, GIMLI, MANITOBA

Question No. 2,587—**Mr. Rowland:**

1. Has Saunders Aircraft Corporation of Gimli, Manitoba applied for a grant from the Department of Regional Economic Expansion?

2. Has such a grant, subject to the usual conditions, been approved and, if so, for what amount?

3. Has the amount agreed upon been paid to Saunders Aircraft Corporation and, if not, for what reason?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Department of Regional Economic Expansion is as follows: 1. Yes.

2. Yes, $996,000—based upon estimated capital costs of $1,550,000 and an estimated 405 jobs to be created.

3. Although the full amount has not been paid, the company has received an initial payment of $257,424 on the basis of the eligible capital costs incurred and an estimated 146 jobs created in respect of Phase I of the project.

PROPOSED SEISMIC TESTS TO BE CARRIED OUT BY E.M.R.

Question No. 2,625—**Mr. Orlikow:**

1. Did representatives of the community at Coral Harbour in the Northwest Territories meet with officials of the Department of Indian Affairs and Northern Development in June, 1973, to discuss proposed seismic tests to be carried out by the Department of Energy, Mines and Resources?

2. Did spokesmen for the community make clear to the officials present that they opposed any tests which might harm the land and waters before a settlement of their land claims was reached?

3. Was the request transmitted to the Minister of Indian Affairs and Northern Development and Energy, Mines and Resources?

4. (a) Were the proposed experiments carried out in the vicinity of Coral Harbour and, if so, for what reason (b) were further discussions held with the representatives of the local people to explain the reasons why their requests had been ignored?

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

2. Yes.

3. Yes.

4. (a) No; (b) not applicable.

IMPORT DUTIES ON MOBILE HOMES

Question No. 2,649—**Mr. Reynolds:**

1. On what date does the Minister of Finance plan to reinstate the recent 2½ per cent reduction in import duties on mobile homes?

2. Does this policy adversely affect Canadian manufacturers to the benefit of United States manufacturers?

Hon. John N. Turner (Minister of Finance): 1. The legislation which implemented the tariff reduction on mobile homes provides that the reduced tariff rate will remain in effect for one year from February 19, 1973. The legislation also provides authority for the restoration of the pre-Budget rates by Order in Council in instances where, in the view of the Government, the tariff reduc-

tions have caused or are causing genuine hardship for Canadian producers and their employees.

2. Members of the industry have alleged that they are facing hardships as a result of the tariff reduction. As indicated on pages 5724 and 5725 of *Hansard* of July 17, 1973, officials of the Department of Finance wrote to the Canadian Mobile Home and Travel Trailer Association in May asking that a date be set for a meeting to discuss the industry's representations. The Association was also asked to provide further information in support of the representations. To date there has only been an acknowledgment from the Association.

* * *

QUESTION PASSED AS ORDER FOR RETURN

GRANTS IN AID TO BILINGUALISM

Question No. 772—**Mr. Matte:**

1. What amounts were granted in aid to bilingualism in 1968, 1969, 1970, 1971 and 1972 in (a) the Province of Quebec (b) the other provinces?

2. How many of the bills introduced during the 4th Session of the 28th Parliament were originally drafted in French?

Return tabled.

Mr. Lawrence: Mr. Speaker, I rise on a point of order. Not quite two weeks ago today Your Honour ruled me out of order when I attempted to ask an oral question relating to a matter about which we are actually in special session, namely, the estimated cost of the Food Prices Review Board. Your Honour indicated that it should be placed on the order paper. I immediately placed the question on the order paper. The answer must be within the immediate knowledge of the government, and if there is to be an honest attempt on both sides of the House to sharpen up the question period I certainly think some of these urgent questions should be answered more quickly.

• (1430)

Some hon. Members: Hear, hear!

Mr. Cossitt: Mr. Speaker, I rise on a point of order with regard to questions 2271 to 2280 inclusive requesting the names of lawyers whose services are being used by the government in the various provinces to carry out legal work. This is the sixth time I have raised a similar point of order. On the last occasion, one week ago today, the parliamentary secretary told the House he had not yet obtained definite information from the Department of Justice as to when answers would be forthcoming. I would think that by now some definite information should be available. I might add that I have been seeking this information since last April. Possibly, the Minister of Justice can enlighten the House as to when this information will be supplied. May I say that because the disclosure of certain information would be embarrassing to the government is a darn poor excuse for withholding it from the Canadian public.

Some hon. Members: Hear, hear!

Mr. Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I, too, rise on a point of order with respect to a question I put down two months ago, No. 2414, an important question dealing with the Opportunities for Youth program. I think members of the House are entitled to the information which is being sought.

Mr. Stackhouse: Mr. Speaker, I should like to rise on a point of order to say that certain questions which I placed on the order paper last February and March have remained unanswered. I can well appreciate that the information, which I am sure is known to the government, might be embarrasing to the Prime Minister and to members of the cabinet if it were disclosed, but it would certainly be useful to the public. I would welcome an answer to these questions at a very early date.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, I, too, rise on a point of order respecting questions placed on the order paper. I bring this matter to your attention because of the strange things that are happening between the government and the Cape Breton Development Corporation, including the fact that the senior partner of the law firm representing the miners suddenly found himself on the board of directors of the Cape Breton Development Corporation. My point of order refers specifically to question No. 2581. In order to make it clear that something has gone wrong, I should like to draw the attention of hon. members to the terms of that question, which are as follows:

1. How many business enterprises has the Cape Breton Development Corporation invested in since it began operations?

2. (a) How many such businesses are still in operation (b) what is the nature of these operations (c) who are the responsible persons managing them?

3. (a) How many are no longer operating (b) what was the nature of such oeprations (c) for what reason did they cease operations?

4. Did the Corporation recover its investments?

5. In each instance (a) what was the investment (b) how much of the investment was in the form of (i) grants (ii) loans and, of the amount in loans, how much has been recovered to date?

Mr. Speaker, I draw to your attention the fact that the answer provided to this question by the Department of Regional Econnomic Expansion was as follows: "101 business enterprises." That is not an answer in any way, shape or form to question 2581 which has since disappeared from the order paper. I would hate to think that Mr. Tom Kent has enough influence to reach into Ottawa and pluck from the order paper a question with regard to which he is responsible for providing parliament with information.

Some hon. Members: Hear, hear!

Mr. MacInnis (Cape Breton-East Richmond): How did this question disappear from the order paper? Why is it that the partial answer provided does not in any way conform with an answer given by Tom Kent before the Standing Committee on Regional Development? For six years I have been prodding and trying to get from the government a reasonable settlement, but when questions disappear from the order paper then somebody on the government side has quite a bit of explaining to do, including the placing on the board of directors of the corporation of the senior partner of the law firm employed to fight the case on behalf of the miners. It smells.

Some hon. Members: Hear, hear!

Mr. MacInnis (Cape Breton-East Richmond): What we need here is not only the FBI and the CIA—

Mr. Speaker: Order, please.

Mr. Reid: Mr. Speaker, I just wish to assure hon. members that I will look into the matters they have raised. I also wish to inform the House that a total of 87 per cent of all questions which have appeared on the order paper have been answered as of today.

Some hon. Members: Hear, hear!

Mr. Baldwin: The quality of the answers counts, too. We are objecting to the quality.

Mr. Stackhouse: Mr. Speaker—

Mr. MacInnis (Cape Breton-East Richmond): On a question of privilege—

Mr. Speaker: Order, please. If the hon. member for Scarborough East will be patient the Chair will recognize him in due course. Hon. members will note that we have been sitting for 30 minutes and have had a number of points of order and questions of privilege. I would hope we would try to straighten out these difficulties and get on with the business of the House. The Chair, of course, will hear the hon. member and others, I gather, who have points of order or questions of privilege.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, my question of privilege arises from the attempt at an answer made by the hon. member for Kenora-Rainy River who seems to have a greater vocabulary than the word "no". What has 87 per cent of the questions being answered to do with the removal of my question from the order paper? The hon. member seems to take it on himself to apologize for the government. If it comes to a choice, he is the last I would pick from that side of the House to give an answer to anything.

Mr. Nielsen: I should like to speak, if I may, Mr. Speaker, to the serious and important question raised by my hon. friend from Cape Breton-East Richmond. The House of Commons is an institution within which the government is supposed to account to the people of Canada. One of the reasons we place written questions on the order paper is to obtain such an accounting from the government. My hon. friend put down a series of questions numbering a dozen or so directed to the operations of a corporation coming under the jurisdiction of the government, and the government has made no attempt at all to answer those questions.

The hon. member for Kenora-Rainy River rose to say that the government had answered 87 per cent of the questions.

Some hon. Members: Hear, hear!

Mr. Nielsen: If the kind of answer my hon. friend received is any indication of the quality of that 87 per cent, then the answers given fall far short of recognizing the principle of accountability to which I have referred.

Some hon. Members: Hear, hear!

[Mr. MacInnis (Cape Breton-East Richmond).]

Mr. Nielsen: Surely the government can make a more serious effort not only to answer the questions which are put to them in a specific way, as did my hon. friend, but to answer them within a reasonable time and not carry them over for months and months. If this were done, members could get answers to their questions and the government could perhaps convey some semblance of an image in terms of accountability to the House.

Mr. Stackhouse: Mr. Speaker, I appreciate very much the parliamentary secretary informing the House that answers have been given to 87 per cent of the questions asked, but I say to him we should be equally concerned about the 13 per cent that have not been answered, many of which, I suspect, involve information which the government is covering up.

Mr. Speaker: Order. I would hope that when written questions are called we would not become involved in a debate about statistics as to the number of questions answered and remaining unanswered. I feel that legitimate points of order can be raised by some members who believe their questions have remained unanswered for too long, but I think that to go further is to invite fruitless debate at this point. If there is a claim that a large proportion of the questions have been answered and if, in response, there is an equally legitimate claim that a number of questions remain unanswered, I suggest that this is a subject for debate.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I do not intend to bring out statistics on answers or non-answers to our questions. One thing is certain, they are slow to answer the questions listed on the order paper.

Mr. Speaker, I can very well understand the complaints of the Progressive Conservatives, but I will say that when they were in power, answers were no quicker than they are today.

● (1440)

MOTIONS FOR PAPERS

[*English*]

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notice of motion No. 227.

FORMULAS OF HAIR SPRAYS SOLD IN CANADA AVAILABLE TO HEALTH PROTECTION BRANCH

Motion No. 227—**Mr. Marshall:**

That an Order of the House do issue for a copy of the formulas of hair sprays being sold in Canada and available to the Health Protection Branch of the Department of National Health and Welfare.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, this motion is not acceptable to the government in that the material requested was submitted in confidence, and consent to

table this information has not been obtained from the other parties concerned.

Mr. Marshall: Then I ask that it be withdrawn, Mr. Speaker.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

Mr. Speaker: Shall the remaining notices of motion stand?

Some hon. Members: Agreed.

[*Translation*]

Mr. Laprise: On a question of privilege, Mr. Speaker.

Mr. Speaker: The hon. member for Abitibi on a question of privilege.

Mr. Laprise: Mr. Speaker, my question of privilege refers to motions for production of papers. On April 18, 1973, the government agreed to produce the papers related to the notice of motion for production of papers No. 203. But, these papers have not yet been produced. I therefore ask the government when it intends to fulfil the agreement of April 18, 1973?

[*English*]

Mr. Reid: Mr. Speaker, the hon. member for Abitibi has raised a point which affects him and all other hon. members who have had motions accepted by the government. The problem we are having in preparing these papers is that they must be translated into the two official languages. We have got into bottlenecks in some departments in getting this material out, but I can assure the hon. member that this matter has been a considerable concern of mine as well as of the departments. We hope to have the translations completed as soon as possible once the new system is in line.

ORAL QUESTION PERIOD

[*English*]

ENERGY

PROPOSED CUTBACK IN NATURAL GAS SUPPLY BY WEST COAST TRANSMISSION TO BRITISH COLUMBIA THIS WINTER—FILLING OF BOARD VACANCIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources who I know is very fleet of foot. It concerns a report that West Coast Transmission will be cutting back on the supply of gas to British Columbia customers by 10 per cent on peak demand this winter as a result of some difficulty with one of the suppliers to West Coast Transmission. Has the minister been in touch with the National Energy Board and is he satisfied that this cutback is necessary or whether the cutback could not be made in the gas exported by West Coast Transmission in order to give British Columbia customers priority?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I saw the president of that company yesterday afternoon and he informed me of the facts referred to in the news report this morning. I have indeed been in touch with the board along the lines suggested by the Leader of the Opposition and I shall be seeking the board's advice on handling this problem. It is related to a structural fault in one of the supplying fields.

Mr. Stanfield: Despite the very substantial reserves of natural gas in western Canada, is the supply system as authorized and approved by the National Energy Board so precarious that some difficulty developing with one supplier of gas creates this threatened shortage for British Columbia?

Mr. Macdonald (Rosedale): Mr. Speaker, I would be glad to canvass that question with the board. I would remind the hon. gentleman that this difficulty relates to the West Coast system as opposed to the Trans-Canada system which is hooked into very much larger reserves, but I think it is a valid question.

Mr. Stanfield: Since the minister has referred the matter to the National Energy Board, has he any explanation why the board now consists of five members when the statute provides that the government shall appoint seven, and why the board has been without a chairman for more than two months in a situation of great difficulty and importance in the energy field?

Mr. Macdonald (Rosedale): Mr. Speaker, I hope to make some announcement in this regard in the relatively near future.

ASSURANCE TO BRITISH COLUMBIA OF ADEQUATE SUPPLY OF NATURAL GAS THIS WINTER

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question. In view of the request of the British Columbia government for some assurance from the minister that they will have an adequate supply of natural gas this winter and that British Columbia customers will be given priority over exports, has the minister been able to give that assurance to the British Columbia government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Not yet, Mr. Speaker. As I have indicated to the Leader of the Opposition, upon my return this morning I immediately put the question to the National Energy Board. I received, of course, a telegram to the same effect from the Attorney General of British Columbia. I hope to be able to respond both to the House and to that gentleman at an early date.

Mr. Douglas: In view of the fact that the National Energy Board gave export licences to West Coast Transmission, would the minister undertake to find out why, before giving such export licences, the National Energy Board did not assure itself that West Coast Transmission had adequate reserves to meet a contingency such as that which has arisen?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker, I will undertake to find that out.

OIL—METHOD OF DEVELOPMENT OF TAR SANDS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact that the situation which now applies to natural gas may in the not too distant future apply to oil, may I ask the minister whether the government is contemplating making any offers to the provinces of Alberta and Saskatchewan for some public participation in the development of the tar sands in those two provinces?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. gentleman may know that the government of Alberta made a new and interesting proposal last night with regard to state participation in the oil industry. I expect to be meeting with representatives of that province in the near future to discuss the possible further development of the oil sands, and development in Saskatchewan as well.

EXEMPTION OF TAR SANDS OIL FROM SURTAX

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a supplementary question for the minister. In light of his answer, has the government now established a policy, in view of the proposed sharing of the development of the Athabasca tar sands by business and the people, that will ensure that crude petroleum produced from this particular development will be exempted from the surtax?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, that is one of the questions that has been discussed but no conclusion has been reached yet. There is some question whether specific exemption would be necessary in light of anticipated price levels.

Mr. Woolliams: Mr. Speaker, may I follow that up. The minister said that there is some question. Would he enlighten the House and people interested throughout the country as to what is the question that concerns him in this regard and why he cannot categorically say now whether the crude petroleum produced by that development will be exempt from the surtax?

Mr. Macdonald (Rosedale): I should like to have very full consultations with the government of Alberta before making that statement, Mr. Speaker.

Mr. Speaker: Order, please. There appear to be a number of supplementaries on this question. The Chair will recognize the hon. member for Champlain and then return to supplementaries by the hon. member for Edmonton Centre and others.

[Mr. Douglas.]

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—EFFECT OF RECOMMENDATIONS OF CONSTITUENCY ADVISORY GROUPS ON SELECTION OF PROJECTS

Mr. René Matte (Champlain): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

Could he tell the House if the decisions of the constituency advisory committees which will be established under the LIP program will have a determining influence in the choice of projects to be approved?

● (1450)

[*English*]

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, as I explained in letters to all hon. members, they certainly will have an influence on the decision but I retain the responsibility and authority for the final approval or disapproval of projects.

[*Translation*]

Mr. Matte: Mr. Speaker, on a supplementary.

Could the minister tell us if he will necessarily accept the suggestions made voluntarily by members of the House or by members of these advisory committees?

Mr. Speaker: I am under the impression that the minister has already answered this question.

* * *

[*English*]

ENERGY

OIL EXPORT TAX—POSSIBILITY OF SUBSTITUTION OF DIFFERENTIAL APPROACH ADMINISTERED BY INDUSTRY

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I should like to ask the Minister of Energy, Mines and Resources about his conversation with the representatives of the oil industry in Calgary yesterday. In view of the fact there is no quarrel over the 40 cents price differential, did the minister propose to the oil industry that he would consider the traditional differential approach administered by the industry as opposed to this awkward export tax he has proposed?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, sir, I did not make that proposal.

Mr. Steven E. Paproski (Edmonton Centre): I have a supplementary for the Minister of Energy, Mines and Resources. Is it true that the minister allows the National Energy Board 24 hours to make national energy decisions and that the minister dictates their policies—

Mr. Speaker: Order, please.

FUEL OIL AND GASOLINE RETAIL PRICES—GOVERNMENT REQUEST FOR FREEZE—ACTION TO ENFORCE

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is directed to the Minister of Energy, Mines and

Resources. With regard to the minister's September 13 request to oil and gas retailers not to increase prices, has the minister set up some monitoring agency to check prices of automobile and heating fuels and have any retailers increased prices since September 4?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I indicated to the House that I did not see, under the present arrangements or those contemplated, any way in which the government could monitor prices at the retail level. Except through the efforts of the major producers through wholly owned chains, at the retail gas level this largely concerns independently owned organizations and there are no general monitoring arrangements to cover individual decisions.

Mr. Symes: In view of the fact that gasoline prices have been raised since September 4 by two companies in the Sudbury region and other gasoline retailers are threatening to follow suit because the majors are not giving them a fair share of recent price increases, what action does the minister propose to ensure that retailers and distributors comply with the minister's request?

Mr. Macdonald (Rosedale): We would propose no legislative action. If the hon. member has a specific case which he thinks may be in violation of the law, I would be delighted to hear from him.

Mr. Speaker: Order, please. We will attempt to make some headway. The Chair will recognize the hon. member for Peace River on a supplementary and then the hon. member for Northumberland-Durham.

OIL SURTAX—INTRODUCTION OF WAYS AND MEANS MOTION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the minister whether it is his intention to follow proper parliamentary practice and introduce a ways and means motion with regard to the proposed surtax?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I believe that would be the correct practice.

* * *

THE CANADIAN ECONOMY

INFLATION—INQUIRY AS TO NEW COMBINES INVESTIGATION ACT RESTRICTIONS—POSSIBILITY OF BANNING SPECULATION IN FOOD FUTURES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have a question for the Prime Minister on the government's anti-inflation program generally. In view of the Prime Minister's own statement in the House two weeks ago yesterday during the special session that part of the government's anti-inflation policy was the new stringent restrictions under the Combines Investigation Act, and in view of the fact his minister said they had passed through cabinet and had been drafted, I think we are entitled to ask the Prime Minister when we will have the details of this part of the government's program?

Right Hon. P. E. Trudeau (Prime Minister): As soon as we introduce it for first reading, Mr. Speaker.

Mr. Lawrence: Mr. Speaker, the purpose, of course, in my asking that question was to then ask when will first reading take place? I have a further supplementary, Mr. Speaker. In view of the statement elsewhere yesterday that government action is required at both the Canadian and United States federal levels to ban speculation in futures of food commodities, could the Prime Minister say whether the government is considering taking any action along that line?

Mr. Trudeau: I cannot answer that question now, Mr. Speaker.

* * *

FOOD PRICES

REQUEST FOR TRANSPORTATION SUBSIDIES ON PRODUCTS MOVING INTO NORTHERN AREAS

Mr. Elias Nesdoly (Meadow Lake): Mr. Speaker, I should like to address a question to the Prime Minister. In view of the fact that milk is over $1 a quart, potatoes are 40 cents a pound and eggs are at $1.12 a dozen in certain areas of northern Saskatchewan and since similar situations exist in other areas of Canada's north to a lesser or greater degree, for example, eggs at $1.90—

Mr. Speaker: Order, please. The hon. member should ask a question. He is not supposed to use a preamble to convey information to hon. members. Would he kindly come to the question.

Mr. Nesdoly: Is the government considering transportation subsidies for food products moving into northern areas so that northerners can have the benefit of food prices paid by Canadian people living in the more populous areas of this country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I take that by way of representation. I hope the representation will be made to the government of Saskatchewan which is more directly concerned with this matter.

Mr. Nesdoly: In view of the fact that the recently announced subsidies are of infinitesimally less benefit to Canada's northerners, and there is much of the north not in Saskatchewan, what measures does the government intend to take to alleviate this situation so that northerners can enjoy the benefits of reasonable food prices which they certainly have not had in the last 20 years or so?

Mr. Trudeau: Surely the question of prices within a province comes under provincial jurisdiction.

Oral Questions

BREAD AND MILK SUBSIDIES—REQUEST FOR EXTENSION TO YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary for the Minister of Indian Affairs and Northern Development. In view of the action announced by the Prime Minister two weeks ago yesterday with regard to subsidies on bread and milk and the announcement by the Minister of Agriculture concerning the cost of milk to residents of the province of Quebec, reducing milk to 34 cents a quart in that province by reason of his announcement, the minister will recall that I drew his attention to the fact that there were no marketing boards in either the Yukon Territory or the Northwest Territories and that he replied that his department had that matter under consideration. Can he now inform the House, in respect of northerners above the 60th parallel, whether he who has direct responsibility in these areas will pass along the same kind of benefits to these residents as have been provided for the residents of the province of Quebec by measures such as those announced by the Minister of Agriculture?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have already contacted my colleague the Minister of Agriculture in this regard. Of course, this is a very complex matter, as there is no marketing board in the Yukon nor in the Northwest Territories, but the consumers in these regions will derive the same benefits as those who live in the southern provinces, where farm products come from.

* * *

[*English*]

TRANSPORT

MEASURES TO CLEAR UP BACKLOG OF FREIGHT CARS AT NORTH SYDNEY DESTINED FOR NEWFOUNDLAND

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is directed to the Minister of Transport. Bearing in mind the circumstances at North Sydney where the shipment of goods and produce to supply Newfoundland will be delayed until after Christmas and also involving orders now being placed for the spring of 1974, now that the minister has had time to study the situation at North Sydney can he indicate what plans he has in mind and what contingency plan he has devised in order to alleviate that situation?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think this situation is being studied by the department. Are you talking about the backlog there is now at Sydney?

Mr. Lundrigan: Yes.

Mr. Marchand (Langelier): May I say that since yesterday I have received a full report from Canadian National. I think it is unjust for the CNR to leave the public under the impression that nothing was done when I know now for sure that, since July, 11 vessels have been chartered by CN to cut down the backlog. There is no backlog of perishable goods and by two weeks we think everything will be in normal shape.

Mr. Lundrigan: Mr. Speaker, I do not know if it is in order in the House to accuse the CN of lying. I cannot accuse the minister of lying, but somebody obviously is telling a bloody lie. In view of the fact that for over a month prior to the CN strike there was no produce moving into the province of Newfoundland from Montreal by way of the private enterprise system, in view of the fact that since the first day of the rotating strikes the province, to all intents and purposes, was in the grip of a total strike because of the strikes centred in Ontario, Quebec and the Atlantic region, and in view of the admission of Canadian National Railways yesterday that over 600 cars are at present sitting in North Sydney, as well as the indications from the general public—

● (1500)

Mr. Speaker: Order, please. Perhaps the hon. member might ask the question. It seems to me that his preamble is a little extensive.

Mr. Lundrigan: And in view of indications from the general public that there are firms on the northeastern coast of the province that have not received—

Some hon. Members: Order!

Mr. Lundrigan: Listen to what I am saying.

Mr. Speaker: Order, please. I am inviting the hon. member to ask his question.

Mr. Lundrigan: I would have asked my question by now if there had not been so many interruptions. I would have been finished long ago—and in view of the fact there are firms that have not received goods that were ordered two months ago, goods that have been in place in North Sydney for two months, can the minister give an assurance that extra vessels will be placed in position immediately in order to clear up the backlog and, further, that he will study the constitutional responsibilities under Term 32 of the Terms of Union?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order, please. Perhaps the minister might be allowed to reply to the hon. member's lengthy question.

Mr. Marchand (Langelier): I know that you will not allow me to prove it, Mr. Speaker, but when the hon. member says that it is a bunch of lies I want to tell him that I have all the names of the vessels here and I can give them to the House. If the hon. member knows a charter that can be rented in order to speed up the movement of goods, we will be pleased to rent the vessel any time. A real effort has been made.

An hon. Member: What about Jack Davis?

Mr. Marchand (Langelier): Some of the goods that are delayed are not perishable. There have been delays at Sydney before and that is why we have ordered a new

vessel. It will be in service in a few days' time, and we might have another one some time later in the fall.

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

Mr. Lundrigan: I have a supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Humber-St. George's-St. Barbe rises on a point of order. I will recognize him first and then, in fairness, the hon. member for Rimouski and return to the hon. members who have supplementary questions they are anxious to ask.

Mr. Marshall: Mr. Speaker, just so that a wrong impression is not left by what the minister said, may I point out that an official communiqué has been issued by Frank Petten, public relations officer of CNR. He said in St. John's yesterday or the day before that while things are moving smoothly, there will be a backlog until after the Christmas-New Year period.

Mr. Marchand (Langelier): I rise on the same question of privilege, Mr. Speaker. I have inquired from CNR and was told that nobody can say that is so at this moment. There is no such indication.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order please. The hon. member is rising on a point of order but his point of order is being interrupted by a question of privilege which the hon. member for Gander-Twillingate wishes to raise at present. I would hope that this matter can be resolved quickly because I am anxious to give other hon. members an opportunity to ask their questions.

Mr. Lundrigan: Your Honour, the impression was left by the hon. gentleman who represents the Department of Transport in the House of Commons—

Some hon. Members: He is a minister.

Mr. Lundrigan: —that wrong information was given to the House of Commons. As my colleague from the west coast of the province indicated, yesterday a press release was put out officially by the CNR indicating exactly what the hon. member stated today. I am under the impression that either the Minister of Transport is totally unaware of what is going on in his department or is being fed a bunch of stuff by the CNR that is not in accordance with the facts.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order please. That, of course, is not a point of order. The hon. member is debating an issue with the minister during the question period. There should be other opportunities to raise points of order or questions of privilege or to make statements which are entirely irregular at this time, are certainly against the traditions of the House of Commons and are unfair to other hon. members who want to ask questions and participate in the question period. The Minister of Transport rises on a question of privilege.

Mr. Marchand (Langelier): Mr. Speaker, I wish to rise on a question of privilege. There is only one way in which I can be made aware of what the CN is doing there at present and that is to get in touch with their officials and get a report. This is what I have done and I have communicated that to the House. I have been told by the CN on the same occasion that the effort they are making will mean an additional deficit this year of $8 million over last year, that is $52 million—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The hon. member for Gander-Twillingate sought and got the floor on a question of privilege. The minister was allowed to reply, which he did briefly. I request the co-operation of hon. members and we will get back to supplementary questions in due course. Certainly we are not achieving much in a practical way by these alleged questions of privilege and points of order which, in my opinion, are entirely disorderly.

Mr. Lundrigan: Mr. Speaker, I rise on a question of privilege. I do not think members of this House of Commons should be as concerned with parliamentary niceties as with what goes on in the country. I am not an expert in the rules, as are several hon. members over there, but I do know that we have some freedom of speech. If we do not have the right to stand up in the House and bring these matters before the people of Canada through the medium of the House of Commons, then it is a waste of time for us to be here. That is my right.

Some hon. Members: Hear, hear!

Mr. Lundrigan: It is very difficult during the question period, unless one has a degree in navigation of some sort, to raise a question and put all the points across in the proper manner. We put the question to the minister today and the minister referred to the CNR. We are not talking about the CNR; we are talking about the constitutional responsibility of the government of Canada to the province of Newfoundland under the Terms of Union which were implemented in 1949. We are not asking the minister to obtain reports from the CNR. We are asking him to assume full responsibility as the spokesman on transportation for the government and to make sure that our goods are moved.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I will certainly not rule on this alleged question of privilege. The hon. member claims his right to free speech. I have the impression that if there is one member who has not been denied this right, it is the hon. member for Gander-Twillingate.

Some hon. Members: Hear, hear!

Mr. Speaker: This is a parliamentary institution which operates according to rules that are applicable to all hon. members. I will say nothing further and will recognize now the hon. member for Rimouski. He is a humble

member sitting at the other end of the chamber who perhaps has rights, too.

Some hon. Members: Hear, hear!

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[*Translation*]

FINANCE

NEW GOVERNMENT BOND ISSUE—POSSIBILITY OF USING OTHER METHODS OF FINANCING

Mr. Eudore Allard (Rimouski): Mr. Speaker, in the absence of the Minister of Finance I will put my question to the Prime Minister.

The government of Canada launched yesterday a $425 million bond issue hearing interest at 7 ¾ per cent for five years, and that may be exchanged against bonds at 8 per cent for seven years. This was announced in all papers dated September 18.

Here is my question: Does the government consider looking for less expensive methods of raising funds, despite the substantial national production of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am convinced that the government of Canada would much rather borrow at lower rates if in fact citizens wanted to lend to the government of Canada at lower rates. The hon. member knows that the bank borrows from Canadians on their savings at rates determined by the market, and it is because Canadians themselves do not want to lend at cheaper rates to the government that we have those rates.

* * *

● (1510)

[*English*]

TRANSPORT

PAYMENTS BY CANADIAN PACIFIC SEAMEN INTO UNITED STATES RETIREMENT FUNDS—REQUEST FOR ACTION TO STOP PAYMENTS AND OBTAIN REFUND

Mr. Paddy Neale (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the fact that over 200 seamen employed by a Canadian shipping company, namely, the CPR, are being forced by American law to pay over 10 per cent of their net income into the American railroad retirement fund and the U.S. social security fund, and in view of the fact that these seamen have practically no chance of drawing either a pension or social security benefits, will the minister take this matter up with the appropriate Canadian government department with a view to meeting with its American counterpart in an attempt to negotiate an agreement that would allow these Canadian seamen exoneration from this onerous foreign tax?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker.

Mr. Neale (Vancouver East): In view of the fact that this agreement has been in effect for nearly 40 years, and in view of the fact that the railroad retirement plan now controls millions upon millions of dollars belonging to Canadian workers, would the minister also attempt to negotiate for the return of these moneys to their rightful owners?

Mr. Marchand (Langelier): Yes, I will inquire into all this. I think the hon. gentleman knows what is implied in it. You have labour agreements which apply at the same time in Canada and the United States.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): O.K. Let us say that I will get the details and reply later.

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ADMINISTRATION OF JUSTICE

APPOINTMENT OF PATRICK MAHONEY AS FEDERAL JUDGE—INQUIRY AS TO ENDORSEMENT BY CANADIAN BAR ASSOCIATION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Prime Minister. Since the political morality of a government is tested by its appointments to the bench, can the Prime Minister tell the House what legal background and experience justify the appointment of Mr. Patrick Mahoney to the Federal Court of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, without really getting into a specific case I could say that the practice which I followed as minister of justice has been followed ever since by succeeding ministers of justice, and that practice is to consult with the Canadian Bar as to the suitability of candidates.

Mr. Nowlan: I am glad the Prime Minister got to the last part of his answer. Before the appointment was made, were there any consultations with any law society or the Canadian Bar Association about Mr. Mahoney's elevation to the bench, and was the government advised that there would be no endorsement of that elevation?

Mr. Trudeau: I have just outlined the type of consultation that takes place and which I am sure took place in the case of the hon. gentleman who has been named.

* * *

TRANSPORT

NEWFOUNDLAND FERRY SERVICE—CONSTITUTIONAL RESPONSIBILITY OF FEDERAL GOVERNMENT—ACTION TO CLEAR BACKLOG OF FREIGHT

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to direct a question to the Prime Minister. In view of the government's clearly defined responsibility to the province of Newfoundland to maintain a ferry service between that province and the mainland, and in view of the fact that the government's own ferry operating agency was allowed to disrupt that service, albeit by a strike, may I ask what the Prime Minister is going to do in line with that constitutional responsibility to ensure that the back-

log of freight is moved in time to prevent shortages, and what steps will he take to make sure that there is no further disruption in that service?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think that the answer given a moment ago by the Minister of Transport indicates that the government viewed this interruption of service with great concern and impressed upon the company the necessity to bring in supplementary vessels, as it did, to the extent the minister indicated, that the company took all it could.

On the constitutional question, I am sure the hon. member realizes that the freedom of people to work or not to work applies even to Newfoundlanders, and that when the CNR itself reached an agreement with the heads of the union that this work would not be interrupted it was something the government pressed for and obtained. If some people in the Maritimes refused to obey the understanding of their leaders, then surely the fight of the hon. member should be with his fellow Newfoundlanders and Maritimers who refused to deliver this service which the government had arranged.

Mr. McGrath: In view of the fact that the government's constitutional responsibility in this matter clearly supersedes any other consideration—

Some hon. Members: Oh, oh!

Mr. McGrath: —and in view of the fact that this service is a vital lifeline between the province of Newfoundland and the mainland of Canada, the disruption of which causes food shortages and all other kinds of inconveniences, is it the intention of the government to take this important service out of the hands of the CN and operate it directly by the government of Canada?

Mr. Trudeau: Mr. Speaker, the hon. member will remember that the minister himself indicated that this was one of the courses he was considering, but the hon. member will have to realize also that if this is done we will have to have men to work those ferries, and if the people of that area refuse to work them, perhaps against the desires and even the benefits of their fellow islanders and Maritimers—

An hon. Member: Blame the workers.

Mr. Trudeau: No, I am not blaming the workers.

Mr. Marchand (Langelier): Who stopped the ferries?

Mr. Trudeau: I should like the hon. member who interrupted me to realize that the government made every arrangement for the ferries to continue and that it did not stop the service. It was the workers at that place who stopped the service.

Mr. Speaker: The hon. member for High Park-Humber Valley.

Mr. Lundrigan: On a question of privilege—

Mr. Speaker: I apologize to the hon. member for High Park-Humber Valley. The hon. member for Gander-Twillingate rises on a question of privilege.

Mr. Lundrigan: I do not enjoy taking extra time of the House.

Some hon. Members: Oh, oh!

Mr. Speaker: May we have order, please. There are just five minutes before the end of the question period.

Mr. Lundrigan: Your Honour, no one enjoys taking extra time of the House but the Prime Minister today, I am sure very inadvertently, misled the House with respect to the workers of the CNR on the east coast. He had a little bit of information fed to him by his office which is partly wrong and partly true. What he said applies to the operation of ferries carrying passengers. At no time did CNR workers or the government make arrangements that produce and freight would be carried during the strike. The Prime Minister today gave the impression that the government had an agreement with CNR workers to carry produce and other freight to the island. He also gave the impression that it was the workers who reneged on this. It was the CNR that inspired the workers to discontinue the ferry passenger service.

Some hon. Members: Sit down!

Mr. Speaker: Order, please. Will the hon. member resume his seat. The hon. member for High Park-Humber Valley.

Mr. Jelinek: Mr. Speaker, I realize the Prime Minister has had some difficult questions to answer. I have a very easy one for him now if he could only answer it.

Mr. Gleave: Mr. Speaker—

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

Mr. Gleave: On a question of privilege, Mr. Speaker. A great part of this question period has been taken up by a series of points of order and questions of privilege. My point of privilege is that we at this end of the House have not been able to ask the government questions which are important to us, simply because of the behavior of the members to my right.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for High Park-Humber Valley.

* * *

● (1520)

BROADCASTING

COVERAGE OF 1976 OLYMPIC GAMES—ALLEGED SAVING BY ACCEPTING CTV OFFER—GOVERNMENT POSITION

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I hope that this time I will be able to finish my question to the Prime Minister and get an answer. Can the Prime Minister advise the House if the government is prepared to reconsider CTV's offer to participate in the telecasting of the 1976 Olympic Games by utilizing their

equipment, facilities and personnel as well as assuring the acceptance of their offer to purchase the television rights, thus reducing the over-all cost by millions of dollars?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I answered this question yesterday or the day before.

Mr. Jelinek: Mr. Speaker, on a point of order, I was afraid the Prime Minister would say that. He did not answered my previous question of last Monday. In fact, he advised me that he was sure I had received answers while the Olympic bill was before the House. For the record, I did not receive any answers. I should like to ask the Prime Minister once again if he can confirm that a contract has been signed by the CBC dealing with the coverage of the Olympic Games, and by what means is the CBC going to receive the $25 million which the government has pledged toward the $50 million budget?

Mr. Speaker: Order, please. The hon. member is asking a question which he has asked previously. If the hon. member is not satisfied with the reply—

Some hon. Members: Answer.

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

Mr. Speaker: The hon. member for Yukon on a point of order.

Mr. Nielsen: Mr. Speaker, the question asked by the hon. member for High Park-Humber Valley was entirely different from previous questions and requires an answer.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. MacInnis (Cape Breton-East Richmond): Leave the Prime Minister alone. He has no answers.

Mr. Speaker: May we have order, please. The hon. member is rising on a point of order and his point may be legitimate. There is no point in getting emotionally involved. There is no reason why the point of order should not be recognized if the question is a different question. If the Prime Minister or a minister of the government wishes to reply, of course, they will be recognized for that purpose, after which I will recognize the hon. member for Sault Ste. Marie.

Mr. Nielsen: Let's have the answer.

An hon. Member: Answer.

Mr. Speaker: Order, please. The hon. member for Nickel Belt.

[Mr. Jelinek.]

EXTERNAL AFFAIRS

GOVERNMENT POSITION ON RECOGNITION OF NEW GOVERNMENT OF CHILE

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the minister's reply to the hon. member for Greenwood on the question of recognition of the guerrilla junta in Chile—

Some hon. Members: Oh, oh!

Mr. Rodriguez: —that precipitous recognition would not be given, can the minister assure this House that precipitous recognition of this regime will be the same as was accorded the Peoples' Republic of China?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I could not make that promise. It was my view that we should have recognized Peking as the legitimate government of China, as the hon. member's party had advocated, some time before we did.

Mr. Speaker: Order, please. I am not sure whether the matter of the supplementary question posed by the hon. member for High Park-Humber Valley has been resolved. Assuming no answer is forthcoming, the Chair will recognize the hon. member for South Western Nova.

* * *

TRANSPORT

DIGBY-SAINT JOHN FERRY—GOVERNMENT ACTION TO CONTINUE VIABLE SERVICE

Mr. Charles E. Haliburton (South Western Nova): Mr. Speaker, not having the degree of navigation alluded to by my hon. friend, it is sometimes difficult to get the message across. There have been a number of questions referring to ferries but no reference to one serving Nova Scotia. While swimming may be a reasonable alternative in some other areas—

Mr. Speaker: Order, please. The hon. member is not swimming very well at this point. I think he has been affected by a well-known disease.

Mr. Haliburton: My apologies, Mr. Speaker. I have been infected by the people around me. I should like to direct a question to the Minister of Transport. Has he yet received any official representation from the government of the province of Nova Scotia regarding the Bay of Fundy service and, if so, what was the tenor of his reply and what action does he propose to take to ensure continuation of a viable ferry service?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is the ferry between Digby and Saint John and we are looking into this. I know that the CPR cut the service in half. We are considering now how we can restore the service and if it should be operated by the CPR, by the department or by a new agency.

Mr. Haliburton: Have any discussions been scheduled with the management of CPR in relation to this problem?

Mr. Marchand (Langelier): Mr. Speaker, those discussions have already taken place.

NOISE PROBLEM CREATED BY RAILWAY HUMPYARD IN EDMONTON—GOVERNMENT ACTION TO ALLEVIATE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is supplementary as it has to do with the railroads. In view of the fact that the railroads are now running and that the triple shifting and shunting of boxcars has brought back the problem of squealing and squeaking in the Calder humpyard, which is now harming the health of the worthy citizens of Edmonton Centre, what does the minister intend to do about this harmful noise problem?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker—

Mr. Speaker: May we have order, please. Perhaps the minister might reply briefly and then we will try to get on.

Mr. Marchand (Langelier): We are going to buy some oil, Mr. Speaker.

Mr. Paproski: Mr. Speaker, on a point of order—

Mr. Speaker: I was hoping the hon. member would not raise a point of order.

Mr. Paproski: Mr. Speaker, in view of the fact I have not received an answer to the two letters I have written to the minister and as I have also pursued this matter in the House on two occasions, would the minister please tell me what I have to do to get a concrete answer from him?

An hon. Member: Buy some grease.

Mr. Marchand (Langelier): Mr. Speaker, I think the hon. member is making more noise than any train I know of. I honestly thought that the way he put his question was to get a good laugh from the House, and he got it.

Mr. Paproski: A point of privilege, Mr. Speaker.

Mr. Speaker: The hon. member rises on a question of privilege. I will recognize him and then call orders of the day. Obviously, we will not get much further this afternoon.

Mr. Paproski: Mr. Speaker, I hate to feel that this minister believes that every time I get up to ask a question on something it is an occasion for him to amuse himself. I am very sincere because this is a very serious problem in my constituency. Through you, Mr. Speaker, I should like to know what the minister intends to do before somebody ends up in the nuthouse in that area. I want to tell him that if somebody does, it may well be he who will end up in the nut house.

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre (Mr. Knowles) rises on a point of order.

Oral Questions

HOUSE OF COMMONS

CONGRATULATIONS TO RIGHT HON. MEMBER FOR PRINCE ALBERT ON SEVENTY-EIGHTH BIRTHDAY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask for a moment to raise a question of privilege which is in a vein slightly different from those that have been raised in the last little while.

Last evening the Parliamentary Secretary to the Minister of Transport (Mr. Guay), the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. Prud'homme) and I had the privilege of attending an important event in Winnipeg, the focus of which soon became the fact that it was a significant day in the life of one of the esteemed members of this House of Commons. That member responded with his usual vigour and in the style that we in this House always enjoy. I am sure all of us would have enjoyed being there and even though today is the day after the event, I ask the House to give a round of applause for the 78th birthday of the distinguished and right hon. member for Saint Albert.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not have to indicate the approval of this side of the House which has been evidenced by the applause which has just been heard but I would enjoin the hon. member for Winnipeg (Mr. Knowles) not to correct the *Hansard* when he reads it and sees that he has beatified the right hon. member.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I think the applause all over the House has indicated the way in which the compliments offered by the hon. member for Winnipeg North Centre have been received by the House. It certainly was a splendid day, and we would all have liked to have been present but I know we will all have an opportunity to pay our respects to the right hon. gentleman during the afternoon.

• (1530)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, it gives me great pleasure to join with the hon. member for Winnipeg North Centre (Mr. Knowles) as well as the right hon. Prime Minister (Mr. Trudeau) and the Leader of the Official Opposition (Mr. Stanfield) to extend my best wishes to the right hon. member for Prince Albert (Mr. Diefenbaker) on the occasion of his birthday.

I had the good fortune of knowing the right hon. member as early as 1946 when he was very active in his party and today at his age, an age that probably very few among us will ever reach, he is alert and vigorous. In fact, he is still an example for all members of this House.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I point out that I did not intend to canonize the right hon. gentleman—not yet. It has been predicted that he will live to 120. However, I want to make it clear that when I referred to the right hon. member for Saint Albert, I

meant the right hon. member for Prince Albert (Mr. Diefenbaker).

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I say a very simple thank you. I am glad the hon. member did not refer to me as a saint, because I doubt whether there would have been that degree of applause that there was. This is deeply appreciated by me. I recall that Sir John A. Macdonald on one occasion, when his birthday was mentioned in the House, and it was his birthday, said that because of his interest in Canada as a whole, Saint Jean Baptiste Day was his day. It is the same with me.

Some hon. Members: Hear, hear!

Mr. McGrath: Mr. Speaker, I rise on a point of order in connection with the business of the House and I do so, if I may say this by way of explanation to Your Honour and the House, to press home the gravity of the questions that were raised in the House by my colleagues and myself today and yesterday. This matter can be resolved very quickly if the government would agree, as it has failed to do in the past two years, to refer to the Standing Committee on Transport and Communications the annual report of CN. The government has not done this. We have not had in this House in the past two years, an opportunity to examine the management and officials of CN. Consequently, we are not in a position to get the kinds of answers we would normally be able to get if those people were before the standing committee.

To underline the gravity of this matter, may I cite briefly Term 32 of the terms of union between Newfoundland and Canada. It reads:

> Canada will maintain in accordance with traffic offering a freight and passenger steamship service between North Sydney and Port aux Basques—

We consider this to be a matter of the most urgent gravity. If the government would agree immediately to refer the current report of CN to the Standing Committee on Transport and Communications, and I might say that report was tabled in the House last March, the members on this side of the House could get on with their constitutional responsibilities and examine CN in committee.

Mr. Marchand (Langelier): Mr. Speaker, I rise on the same point of order. I think the hon. gentleman read the report. There is no relationship at all between it and the constitutional responsibilities of the government. This responsibility, if it exists, is that of the government and not that of CN.

Mr. Speaker: Orders of the day.

[Mr. Knowles (Winnipeg North Centre).]

GOVERNMENT ORDERS

[*English*]

RESIDENTIAL MORTGAGE FINANCING BILL

ESTABLISHMENT OF CORPORATION, RECOGNITION OF SPECIALIZED MORTGAGE INVESTMENT COMPANIES UNDER LOAN COMPANIES ACT AND TAX TREATMENT

The House resumed, from Tuesday, September 18, consideration of the motion of Mr. Basford that Bill C-135, to provide additional financial mechanisms and institutions for the residential mortgage market in Canada, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I welcome this opportunity to say a few words on Bill C-135 respecting residential mortgage financing. The NDP opposes this bill because it perpetuates the basic view, espoused by the Liberal party and the Conservative party, that the private financial market place can best meet the housing needs of Canadians. I reject that assumption for the following reasons. First, one has only to look at the present housing situation in Canada and the crisis which it is in to realize that this assumption is false. Second, on looking at the provisions of Bill C-135, I conclude that it will perpetuate rather than solve the problems to do with mortgage financing in this country.

Let us first look at the housing situation today in Canada. I refer to the Dennis report of 1972, which was an exhaustive study of housing in this country. That report concluded that there were 750,000 housing units in Canada which were not safe, decent or sanitary. In other words, there are about 3 million Canadians living in substandard housing. In addition, there were at least a half million units that were in need of substantial repairs, which meant that another 1 million Canadian were living in substandard housing. About 20 per cent of Canada's population is inadequately housed. That is our present situation because Liberal and Conservative governments have relied primarily on the private mortgage and lending institutions to meet housing needs in Canada.

My second reason for rejecting this bill is this: On examining the present situation in Canada, one can see that the majority of Canadians who want to buy a home cannot afford one. The cost of the house itself is too high, as is the cost of financing that purchase. In Canada the cost of housing has risen by 90 per cent in the past decade. In my constituency, Sault Ste. Marie, it is now predicted that the cost of the average house will rise by between $2,000 and $3,000 in the next two years. The President of the Toronto Real Estate Board has predicted that the average price of a house in Toronto will increase by around $10,000 in the same period. The difference between the two areas is attributable mainly to differences in land cost.

One has only to look at Central Mortgage and Housing figures for Canada to note that the cost of serviced land has risen some 19.2 per cent in the last 2¼ years and 36 per cent since 1967. Clearly, land costs in 1971 represented almost 40 per cent of the cost of all houses in Toronto and about 17 per cent of the cost of all houses in Sault Ste.

Marie. Moreover, throughout the country the shortage of residential land is driving prices up.

Let me give some examples. In Calgary, a house which sold for $23,000 two years ago is now selling for $33,000. It is true that construction costs have gone up; labour costs have gone up, but none of these costs have risen to the degree that land costs have risen. It is the failure of this government to outlaw land speculation and its reluctance to help in municipal land banking that has been the cause of this horrendous increase in land prices. Bill C-133, which was recently debated, moved somewhat in the direction of helping with respect to land banking, but that measure falls far short of requirements. This misguided faith in the ability of a free market economy to fulfil justly and adequately social needs can no longer be tolerated, in my view.

Next, let me deal with the cost of financing a house. On examining the mortgage picture we shall see an equally desperate picture. At one time mortgage interest rates in this country were fixed at 6½ per cent by the government. Then, in 1967, the Liberal government, acting on the advice of the then housing minister who has since joined the Conservative party and now sits as the hon. member for Trinity (Mr. Hellyer), removed that ceiling and let market forces determine what the mortgage rate would be.

● (1540)

As a result, residential mortgages are at an all-time high of 10 per cent, and it is predicted they will rise to 11 per cent in the next few months. This is quite understandable. To leave mortgage rates free of any kind of regulation, free to work in the market economy, means that profit motivated companies will develop, build and concentrate on high-cost housing where returns are the greatest. There will be less building of moderate and low income homes. This is what has happened. It has happened as a result of the Liberal and Conservative faith in the private sector to meet the housing needs in this country. We now have a crisis bordering on catastrophe. Public pressure has forced this government to do something about the cost of housing. Bill C-133 has been passed. It will help middle and lower income families to some degree with regard to buying houses. Bill C-135, which is before us, is supposed to help them in financing mortgages. I feel it is a weak bill and does not meet the needs of Canadians.

Why are we opposed to this bill? First, it still allows for the supply and control of mortgage funds to be determined by the free play of market forces. I hope I have already demonstrated that to allow that to happen would only worsen the situation of Canadian home buyers. There has been no attempt by this government to stabilize the price or supply of mortgage funds. There has been no attempt by this government to fix the mortgage rate at 6 per cent so that the majority of Canadians can afford to buy a new home.

Second, this bill gives tax concessions to mortgage companies, banks and their shareholders to attract more funds into the mortgage market. I am afraid this will only perpetuate high interest rates on mortgages and high priced housing because in that way, return or profit for investors is the greatest. How will this bill solve the dilemma of the average income Canadian wanting to buy a house with no guarantee that the mortgage rate will be held at one level? Why do banks need further incentives? Bank profits have increased by 20 per cent each year since 1967. They have had a higher return than any other sector of our economy. Mortgages are 100 per cent guaranteed by the Canadian government. Why do they need concessions? Where is the risk in this kind of financing? The government is perpetuating its corporate rip-off and this time it is affecting home buyers.

The third reason my party is opposed to this bill is that mortgage companies will not only be allowed to finance residential development, but non-residential real estate. I can foresee such companies putting money into office buildings, shopping plazas and so on where profits are much higher than on low and middle income homes. How will that help the average Canadian buy a house? This bill should provide that the priority be for housing, not non-residential development.

Fourth, this bill does not ensure adequate mortgage funds are available for the rural and poorer areas of the country. I know of a man who wanted to build on the outskirts of Sault Ste. Marie. There were no sewage facilities. As a result, he did not qualify for an NHA mortgage. The only way he could arrange financing was to seek a small company that would give him a mortgage at an interest rate of 15 per cent. This is an outrage. This bill is an outrage because of its weakness in this area. The New Democratic Party opposes this bill in principle because it will not solve the problem of financing home building. It will only exacerbate the situation.

For the past few weeks, the members of the Conservative party have been arguing on behalf of the consumer for controls. However, on this bill they are supporting the government. Here is a chance for them to support a control which will benefit the consumer, a control on the mortgage rate, yet they intend to vote with the Liberals. The Canadian public is aware that when it comes to financial matters that affect large companies or financial institutions, the Liberals and the Tories are still the same old gang. They will not jeopardize, restrict or curb any of the financial activities of these companies which are exploiting the consumer.

If the NDP proposal were implemented, it would bring down interest rates. What is our proposal? We would direct the federal government to instruct the banks and other federally chartered financial institutions to allocate a substantial portion of their annual investment in residential mortgages at a rate not exceeding 6 per cent. This would represent an annual saving of approximately $1,000 for the average family on their mortgage payments. I know all the arguments about the banks not being able to allocate more of their funds to the mortgage market. Their mortgage holdings today represent only 8 per cent of their total assets. A 6 per cent mortgage rate would only reduce their profits to a minor degree. The banks can certainly afford to do this because their profits have risen by 85 per cent since 1966. The proposal I have outlined is a realistic approach to mortgage financing.

This bill would perpetuate a financial corporate rip-off of the Canadian home buyer. There is no guarantee that interest rates will go down or even hold the line because of

this bill. For that reason, my party is utterly opposed to this bill being passed by the House.

● (1550)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, two of my colleagues took part yesterday in the debate on Bill C-135 during which some objection was raised against the excessive interest rates on mortgages granted for the construction of single family dwellings and the same will soon apply to the construction of public buildings.

Mr. Speaker, there is a cause to effect relationship which has prompted the government to move Bill C-135 dealing with the establishment of a new finance company which would lend on mortgage. At the present time, the Central Mortgage and Housing Corporation could be used. We could somewhat extend its powers enabling to grant loans directly without having to resort to a new bureaucracy or a new finance company which would set the rates at its own will.

All this, Mr. Speaker, is due to the credit line allowing the financing of these buildings. A couple of days ago, the Governor of the Bank of Canada, Mr. Bouey, advised us that the bank was increasing its prime rate to 7.25 per cent. Could any one name only one member of Parliament, one province, one municipality or one school board that went to the Bank of Canada to borrow money at an interest rate of 7.25 per cent? This statement made by Mr. Bouey allows all finance companies to increase their interest rates when they don't need to do it at all, because none of them borrows from the Bank of Canada. Even our chartered banks do not do it.

When a banker tells you: the interest rate is higher because the Bank of Canada raised its prime rate by .5 per cent, he is telling a lie. This is not at all why the interest rate is being increased.

Earlier this week, a member of my staff was to borrow a certain amount to buy a single family dwelling. She was informed by the company manager that she will be able to obtain the required $12,500 at an interest rate of 10¼ per cent. She even signed a form. Two days later, she was called by the manager who told her: The loan is accepted but at a 13 per cent interest rate. How can you explain this 2¾ per cent increase within two days?

As for the Bank of Canada which makes no loan to a nobody, it only receives the reserves used by chartered banks to control the credit of the nation. The finance companies get their "supply" from the banks. Decisions are made by the banks.

The Minister of National Health and Welfare (Mr. Lalonde) is always afraid he might run short of funds to increase family allowances or to pay old age security pensions at 60. If the government of Canada were to float an issue and ask the Bank of Canada for a $1 billion credit, which provision of the law could prevent it from doing so to finance the program of the Minister of National Health and Welfare? Absolutely nothing. The danger is that if the Bank of Canada were to buy the government issue for the nominal amount of $1 billion, under the Bank Act the banks would be entitled to create $16 billion, 16 times more than the government issue which is the reserve for

[Mr. Symes.]

the Canadian banking system. If the minister is not convinced I invite him to my office and I will show him the evidence. This is the problem.

Here we are, complaining, planning to create new finance companies that will get funds from the chartered banks and not the Bank of Canada. The Governor of the Bank of Canada says: We must increase the bank rate. He has applied no controls and still does not control anything. The Bank of Canada has become the handmaiden of the Canadian chartered banks. What the banking system told him, Mr. Bouey has just repeated to us, and the dimwits believe him; but we don't, and haven't for a long time.

Mr. Speaker, that is what is wrong, for the Bank of Canada issues an absolutely useless statement, except that it does allow some to increase their interest rates to 10, 11 and even 12 per cent. Then, in addition to interest, we have to pay the government sales tax on building materials. Then people are told: Build houses, funds will be easier to get. Go ahead, build, because the more you build the more money the government will make through the 11 per cent sales tax on bulidling materials. In addition, the provincial government will get 8 per cent. We have reached the point where taxes are being taxed. In fact, the small homeowner pays 11 per cent on the material required to build his small home. And the provincial government adds another 8 per cent to that. Joe Blow is really a good guy: he puts up with all that without complaining and keeps on paying.

● (1600)

I was reading in a paper yesterday that a Canadian can have a small $25,000 house built at 10—and not 15—per cent interest rate over 40 years. And they claim that this is reasonable. Do you realize that in the next 40 years, this citizen will have paid $75,000 for a $25,000 home? And they say: He will be a homeowner, and we talk of inflation, they want to fight it. After 40 years, he will have paid the price of three houses; he will have only one if he still lives, but he will not.

Most people who borrow nowadays to have a small house built do so for 40 years; if a 40 year old man borrows $20,000 or $22,000 for a period of 40 years, when he is through paying, Mr. Speaker, he will be 80 and retired for 15 years. His old age security pension will not be sufficient to make the payments; which means that by the age of 50 or 55 he may lose his property. This is exactly what is happening and they think that they are helping people to become homeowners! Owners of what? Owners of debts, taxes, interest rates; the house belongs to the finance company, it does not belong to them.

This is the way the system operates which the government, introducing Bill C-135, wants us to accept and which will mean more debts serving Canadians. While our "nincompoops" will be getting deeper into debt, the government will continue to say: We can't.

This afternoon, as the government is about to issue $425 million in bonds yielding 7¾ per cent interest, one of my colleague asked the right hon. Prime Minister about the possibility of finding something else at a lower cost. The government leader replied: This is the prevailing rate, the finance people will not lend us money; we have to pay more because the institutions can obtain better deals elsewhere. So, the government is following the trend instead

of going against it; it should manage the Canadian economy by putting to proper use the financial means, at our disposal, namely the Bank of Canada. If Governor Bouey is not aware of it, I tell him so. He is not there to tell us what to do but to act upon what we, as parliamentarians, decide.

Mr. Speaker, everybody is complaining. Earlier my NDP friend from Sault-Ste. Marie (Mr. Symes) was talking about outrageous rates of interest which should be reduced to 6 per cent but when these were at 6 per cent three years ago, the NDP was protesting that they should be lowered at 3 per cent. Today they would be willing to reduce them to 6 per cent.

Mr. Speaker, 6 per cent is not better than 10 per cent. Does anyone know that for a loan at 5 per cent over a 20-year period the interest paid will equal the capital borrowed? For instance, $1,000 at 5 per cent during 20 years will yield $1,000 interest and the capital is still owing. All provinces and municipalities are endorsing such programs, and the government introduces Bill C-135, saying: Here's more.

Mr. Speaker, the day when the system will break, someone will be hurt. People are revolting everywhere in the world, people are marching in the streets. Why? Because of food shortages? No. Because of limited building opportunities? No. But because there is not enough purchasing power to live decently. Then, some people try to have the poor rise against the rich, saying for example: If you live in a shack, it is because somebody else lives in a castle; so, let us rise against the one who owns a castle. There is a revolt, the occupant of the castle is thrown out and, next morning, the aggressor realizes that he still lives in the same shack, that his circumstances are not better.

This does not constitute a solution. The solution would be to ask ourselves if we can build more castles in Canada. Can we improve the situation and provide more help for all Canadians so that they may own their own property, not the Household Finance Co. Ltd., the Central Mortgage and Housing Corporation, the Canadian Bank of Commerce, the Toronto-Dominion Bank, the Ross Finance Company Ltd., or the Guaranty Trust Company of Canada.

Recently, I saw in the lower St. Lawrence valley people who have lived on the same farm for eight or nine generations. They made improvements to the house, the barn, and the stables, thanks to mortgages. After eight generations of work, these people are mortgaged at 100 percent. While 200 or 300 years ago, the farmer could say: I own my farm, nowadays he says: My farm belongs to the Farm Credit Corporation, it belongs to a finance company. Nowadays, man has to resort to finance the moment he comes into this world.

One can read in Eaton's and Simpson's trade catalogues: Buy through a budget plan, open an account. The baby will soon be born, therefore people get ready, they resort to credit at Eaton's or Simpson's. When the child is six years old and ready to go to school, people order clothing, again through the budget plan.

People get married, they have no money, they borrow from Household Finance. In order to buy a car, they get into debt with the Traders' Finance Co. Ltd., the Niagara Finance Co. Ltd. or the IAC for three years and thus they are being mortgaged throughout their life. Towards the end of their life, funeral directors tell them: die now, pay later.

Mr. Speaker, quite often people tell us about such problems; they say: Listen, we cannot pay. Could you help us? It is on account of all those systems that throw us into debt that we have to lead such a life.

Economists tell us that we live beyond our means. Yes, they are intelligent people. We live beyond our means. What are the financing or productive means in Canada? What are the ways of building houses? Are we short of lumber to build houses? Short of nails? Short of manpower? Short of machines?

Mr. Speaker, we are short of nothing except credit, to build a house. It is strange but once a house is built, there is not a single dollar bill nailed to it, not a single one. Credit is a way of exchange to enable people to buy a house. But we attach more importance to credit than to the house.

Bill C-135 aims at giving additional credit to sink deeper into debt those who need a house. Mr. Speaker, there is no lack of space however. I was looking on the outskirts of Montreal, in Abitibi, in Témiscamingue: there is plenty of space; along La Vérendrye park, there are magnificent lakes, where we could build, establish villages, and so on. There is no lack of space. The province of Quebec has a population of six or seven million people whereas it could contain 60 or 70 million people. So, it is not a matter of space, but it is the system which prevents people from getting adequate accommodation.

Good accommodation is not the exclusive prerogative of those who can pay $200 or $300 a month; the workers of E.B. Eddy, of the CIP, of Noranda Mines, of the Canadian National or of the Canadian Pacific have a right to have their own houses too, and not a house they will be asked to pay four times. This can be done through the Central Mortgage and Housing Corporation, a government institution which does not need another parallel corporation to accept mortgages or make mortgage loans.

This is why Bill C-135 is creation of new bureaucrats; it imposes a still tighter control on the economic life of people, in the area of housing. Certainly, Mr. Speaker, we cannot accept this. We want that loans from the Central Mortgage and Housing Corporation be granted by the Bank of Canada, and that the Central Mortgage and Housing Corporation lend to those who have to build the money necessary and at the administrative cost. This would be a reasonable interest rate.

You can say: But we already have private companies and finance companies. I will answer that they can always finance something else. Will we always let the Canadian people be caught in the claws of these vultures, these leeches of the Canadian people, or will we manage to pass laws favouring man? We are always passing laws favouring the financial establishment, as is the case for Bill C-135.

At any rate, Mr. Speaker, these loans to Central Mortgage and Housing Corporation, without creating new corporations, would allow Central Mortgage and Housing Corporation to enlarge its operation, to reach all levels of

the population, without creating, as I said before, a parallel corporation.

If the government really intends and wishes to help middle Canadians to become homeowners, it should act differently than at present. Let it act in a way that will free the middle Canadian from the claws of finance, by allowing him to have access to credit through a federal body which is called Central Mortgage and Housing Corporation, which will lend him at an interest rate covering administrative costs. This will allow more Canadians to own their own home.

[*English*]

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, I should like to join my colleagues in speaking against the bill that is before us today, Bill C-135, that Frankenstein monster dreamed up by this government presumably to make more funds available for mortgages in Canada. It is a bill which may be very comforting to large lending institutions, but it is extremely cold comfort to anyone who is faced with the problem of buying a house. This bill is, of course, supported both by the government and that humane, socialistically inclined group of great Canadians, the official opposition. This is the opposition group that has been shouting "wage and price controls, fight inflation". We already have wage controls, as any worker will tell you.

● (1610)

I started work at the age of 13 and this job is the first one for which I did not have to negotiate a wage or a salary. My wages have been controlled as the wages of most workers are. This is the opposition group that poses as the champion of the people in the battle against rising costs, but it does not want to control interest rates. Wages, yes, but not interest. This is the same opposition group, moreover, that supported tax reductions for corporations and now supports inflated interest rates which would benefit mainly the private sector by providing $400 million of the taxpayers' money, $100 million of it in share capital and a maximum of $300 million as loans to the corporation that will be set up to create a gambling pool for speculators in housing. It will, as I understand it, be a private corporation. It is the people of Canada who will suffer be being forced to pay exorbitant interest rates for whatever sort of shelter they might try to buy.

The people who will be hit hardest, of course, are those who are in the low income bracket. The hon. member for Skeena (Mr. Howard) covered this aspect of the problem last night when he graphically described the plight of our native population and that of low income groups in some of the have-not provinces. Next week, Mr. Speaker, I will be proposing the toast at the wedding of a young couple in Vancouver. I cannot help but wonder what chance this couple will have of ever owning their own home. Certainly, they cannot buy one at today's inflated prices. Their only alternative is to move into a high-rise apartment and spend the rest of their married life in these modern, ugly filing cabinets that are so rapidly replacing single home dwellings, or they might be lucky and find a dingy basement suite.

Mr. Speaker, 28 years ago I made a down payment of $1,500 on a small home, a payment that was made possible only because I had been left a legacy in that amount. I wanted to pay more, but when I went to the bank at which I had been dealing for ten years—I needed $500 more and for security I had a job appointment slip for my first job of teaching—the bank would not lend me a cent without security amounting to at least $500. Well, if I had had the $500 I would not have had to borrow it. It was tough enough then to borrow money even at 4 per cent, let alone now at 10 per cent. Later, I bought a house with $15,000 down and a mortgage of 5½ per cent. Twenty years later that mortgage is still not paid off even at 5½ per cent. And I am trapped in an area, which has become noisy with heavy traffic and crowded with residential congestion, because in order to move I would have to obtain a mortgage at 10 per cent or cash to escape the usurers.

I mention my own experience to illustrate the extent to which our residential population has become immobile simply because people cannot afford to move out of the houses in which they are living. This heartless and cynical bill treats housing as a commodity to be treated in the market place for profit. It ignores the government's social responsibility to provide every Canadian citizen with a decent roof over his head at a reasonable cost. Like the hon. member for Skeena, I wish that the authors of this bill and its supporters would knock at the doors of the people in this country who are forced to live in substandard housing because of the inflated prices caused by greedy speculators. They would not even have to go as far north as my hon. friend has suggested. They could come to my riding to feast their eyes on the results of their philosophy in some of the poorer sections of the riding. I have lived, worked and travelled in the north country and I can vouch for the validity of the description given by the hon. member for Skeena of housing conditions that are to be found there, but I am also aware of conditions in every large city in this country.

There is no doubt about the position of our constituents, if my own riding of Burnaby-Seymour is any criteria and I think it is since it contains a good cross-section of people both economically and politically. On the basis of 752 responses to the question, "Do you think that the interest rates on mortgage money for housing should be strictly controlled by a government agency?", 571 replied with a resounding "yes" as compared to 182 who said "no". Asked if they thought that mortgage interest rates should be determined by "the free play of market forces"—that favourite phrase of the Minister of Finance (Mr. Turner) and his Tory bedmates—512 respondents said "no" and only 201 said "yes". The public, Mr. Speaker, is not stupid. People recognize simple, social justice. They recognize also a rip-off when there is one and perhaps that is why, in the same questionnaire—summarized only yesterday—they replied to the question, "Which party has done the best job in the House so far?" in this way: NDP 322, Liberal 159, Tory 53.

If they were aware of the profit figures for real estate institutions for the first half of 1973 they would no doubt be even more definite in their replies. Here are some of those profit increases from the corresponding period the previous year: Cadillac Development Corporation 45 per cent, Campeau 65 per cent; Monarch Investment 110 per cent, Marlborough Properties Limited 284 per cent—and this was a bad year for Marlborough Properties—Canadi-

an Interurban Properties 182 per cent. There is obviously a gold mine here for real estate speculators.

Our party feels strongly on this issue and that is why so many NDP speakers have been on their feet in this debate in direct contrast to the reticence of the usually vocal Tory group which now finds itself in a financial Valhalla. We want to see Canadians properly housed. We want to force financial institutions to make a portion of their huge funds available as mortgage money. We want interest rates for mortgages held at 6 per cent, or, with the permission of the hon. member for Témiscamingue (Mr. Caouette) at 3 per cent.

What we really want, Mr. Speaker, is a little compassion from the government and its allies to my right in order to alleviate the deplorable shortage of housing and the equally deplorable types of accommodation in which so many of our citizens are forced to live. Mr. Speaker, I shall oppose passage of this bill.

Mr. Terry Grier (Toronto-Lakeshore): Mr. Speaker, I shall say only a word or two because much of what I might otherwise have said has already been said. I do not wish to take up the time of the House by repeating what has been said already. My principal difficulty in respect of this bill is that for the life of me I cannot see how it will accomplish the objective of producing more residential mortgage funds, presumably at a lower rate of interest. It seems to me the mechanicism to be established inevitably will only produce additional mortgage funds—if indeed they are produced—at an interest rate equivalent to or higher than that which now prevails. Otherwise, why would investment funds enter into the residential mortgage market on a voluntary basis unless there is the incentive of increased interest rates. The logic of the government's position seems to be that if it brings more funds into the residential mortgage market that will force the rate down. However, it seems to me one must look at the proposition the other way around. How will more funds become available for residential mortgages if, in fact, the rates go down? They won't.

● (1620)

I do not, for the life of me, see how this bill will succeed in accomplishing the objective of producing residential mortgages at rates that are acceptable to the great majority of Canadians and to people who live in the constituency of Toronto-Lakeshore. As I understand it, the problem today is not a shortage of residential mortgage funds but a shortage of residential mortgage funds at interest rates which make the eventual payment a conceivable proposition. The problem is not mortgage money but rather what one must pay for that mortgage money, the cost that goes into the purchase of the home which puts it well beyond the range of most ordinary Canadians. You can borrow money any day of the week if you are prepared to pay the interest rates. There is no difficulty in finding mortgages and I do not see why we must go through the process of establishing a mechanism to channel more mortgage money into the market if we are not prepared at the same time to take very concrete steps to ensure that the interest rates at which that mortgage money will be lent are at a reasonable level.

I recognize the fact that the government made some moves earlier this year in an attempt to provide assistance to those who desire to own a home through AHOP, which we supported and which we succeeded in having amended in certain important respects. I can see that that is a step in the direction of making it easier for ordinary working Canadians to own a house. But I wonder how many Canadians today really are aware of the benefits that may be available under that program. I wonder how extensively and assiduously that program is being advertised. Second, how many people will be able to qualify given the relationship between the cost of houses in a city like Toronto and the income of the applicants. I must recognize, as indeed the government must recognize, that the interest rate being envisaged under that program, although lower than the prevailing rates, is still in the range of 8 per cent and above.

In a riding like my own, if I may be parochial for a moment, the matter of mortgages at reasonable interest rates is the very key to the survival and maintenance of the sense of community which has prevailed in that part of Toronto for many years. There is almost no land for new housing in Toronto-Lakeshore. What housing changes hands is older housing, and I welcomed and supported AHOP because I hoped it would make it easier for younger families who have grown up in the community to buy a house in that community, to stay there and to provide the next generation of leadership which every community requires if it is to prosper.

But AHOP is not enough, and the kind of proposal that was put forward last week by the hon. member for Oshawa-Whitby (Mr. Broadbent) which calls on the government to impose upon the chartered banks—and let us not back away from that term—a regimen which should see them allocating a certain amount of funds each year toward mortgages at an interest rate not to exceed 6 per cent, is essential for the preservation of many of the older communities in our urban areas. I have no doubt that it has equal benefits in other parts of the country, but to my riding its benefit lies in the fact that it would enable us to preserve what is good and to avoid what all too often appears to be the inexorable tendency of these communities to go to high-rise, to concrete filing cabinets, as they were referred to by my colleague, the hon. member for Burnaby-Seymour (Mr. Nelson).

I cannot find any basis in this bill that would warrant my support for it. For these two reasons, first, that it will not succeed in any significant degree in making mortgages with reasonable interest rates available to Canada, and second, that the absence of that kind of provision gives little or no benefit to the kind of constituency I represent and that many other members in this chamber represent, I feel it is largely a hoax. The bill is an elaborate paper mechanism which, I am quite certain, will succeed in providing little or no benefit to ordinary Canadians in the housing market.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise somewhat reluctantly to discuss the subject of this bill, because I do not happen to know too much about housing. However, that does not seem to have prevented many members from speaking so I thought I had better make some kind of contribution.

Mr. Basford: They are all members of your party.

Mr. Leggatt: That includes members of all parties in the House. Somebody has made a reference to abortion. I want to say that that describes perfectly both the policies that have been advocated by the Liberal benches and those that have been advocated by the Conservatives. Their policies have really been an abortion in terms of finding a way of providing money to solve this serious social problem.

I must say that in dealing with this problem in Bill C-133, the government came up with something that I did not think was too bad. They did provide a neighbourhood improvement program, items on co-operative housing, something in terms of land assembly, and something in terms of improvement to existing housing. But when it came to the problem of providing money for new housing, their logic has failed. They have gone again to the free market forces to solve a problem that the free market forces have not solved over the past ten years and will not solve over the next ten years.

You will recall that this government decided to appoint the Dennis task force to report on housing. That task force pointed out that about 50 per cent of Canadians cannot afford decent housing. Those groups on welfare and those earning up to about $6,500 were unable to afford any kind of decent housing. What kind of an answer is this bill to the Dennis report? Admittedly, Bill C-133 went some distance in meeting the recommendations in that report, but in terms of providing money, the key to the housing program, the government has fallen down completely. What has been shown over the past 10 years is that the free market forces cannot solve this problem. However it is appropriate to interfere with the free market when we have a national crisis such as the railway strike, and it is appropriate to force the railway workers back to work at unacceptable terms to them when there is a crisis. I say that what we have is a national crisis in housing and this government has failed to understand that fact. They are much too chickenhearted, and so are my friends to the right, to interfere with their friends, the financial institutions of this country. As I said, the private market forces have failed to solve the problem.

● (1630)

The Dennis Report pointed out that half the people in this country cannot get decent housing. This is the response which the minister made back on June 12, when he introduced this bill. He said:

> The over-all effect of these new institutions should be an increase in the supply of private mortgage funds from the capital market. In addition, some relative decrease in the level of mortgage interest rates is anticipated—

I emphasize the words "relative decrease". What is it going to be? Will it be one per cent or two per cent? One of the major problems has been not that there is not enough money for housing for lower income people, but rather the excessive interest rates charged on that money.

Free market forces are not going to drag down the rates of interest. We need the nerve and the guts to interfere with those forces, and require that interest rates for low income and middle income people be fixed by the banks at 6 per cent. Recently when he appeared on television, the minister criticized this proposal. At a quick glance I thought this criticism had some validity. The minister argued that if you require banks to lend a certain proportion of their money at 6 per cent for housing, there was no knowing what this would do to other interest rates. He said it would drive up interest rates on the purchase of cars and other consumer goods. This only indicated where his social priorities really are. The social priority we need now is in housing. If the effect of the NDP policy would be to drive up interest rates temporarily on the purchase of these other products, so be it. We have a national housing crisis and this bill will not solve it.

I am not surprised that hon. members to my right—some of them around me are really of the far right—support this bill. This attitude is in tune with their free enterprise philosophy. It will not solve the problem, but neither will it upset their friends in the banking institutions. It is really part of the Tory catechism that we should not interfere with the play of free market forces or we will kill the goose that lays the golden eggs. In terms of low income people there are a lot of eggs being laid around this country, but they are not golden. In fact, they are starting to go rotten.

I am surprised at the reluctance of Conservatives to support us on this bill because here is another golden opportunity for them to demonstrate their concern about the cost of living and the cost of housing. Here is a party which advocates a 90 day freeze on wages and prices. But how much can we believe in that party when it supports a bill like this? How would Conservatives administer the incomes policy they talk about? How would they fix wages and prices in terms of equity to low income people? That is a political rather than an economic decision, and I believe their political decision would be to penalize low income people and reward the rich. That is why this party does not trust in the policy advocated by hon. members to my right. Their position on this bill is philosophically consistent with their policies for years. That is why I cannot support either the Liberals or the Conservatives on this legislation. I extend a welcome to any free thinking Tories who wish to re-examine their position on the bill. The hon. member for Trinity (Mr. Hellyer) is one who has contributed much to debates on housing.

In conclusion, Mr. Speaker, it takes a little nerve to tackle the major financial institutions in Canada, but there is a logic to doing it. If we would only treat housing the way we treat railway workers we would solve the housing problem. We would interfere with the free market. We would have the nerve and the guts to require financial institutions to put a certain percentage of their lending capacity into mortgages at reasonable interest rates. In that way, we would solve the problem.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I wish to take a few moments before the minister rises to reply to say that a society motivated only by a desire for profit is basically immoral. I did not originate that phrase. It is a quotation from the CCF Winnipeg Declaration of 1956, and I thought it a most appropriate one to use in debate on a bill such as this.

I have listened to a number of Conservative members repeatedly talking about inflation and the cost of living, repeatedly talking about controls on wages and prices. I

have yet to hear, however, any of them say anything about controls on interest rates, profits, real estate speculators and the like. Yet they wonder why we choose not to trust the economy to their hands, when all they talk about is controls on wages and prices. In my opinion any person earning less than $6,000, $7,000 or $8,000 a year in this kind of economy is entitled to all the wage increases he can get, particularly if he is trying to support a wife and children and to pay off a mortgage, and more particularly if he is trying to pay off a mortgage at the kind of interest rates that this or a Conservative government allows.

There are a number of areas in any civilized society where profit making should be ruled out. In fact over the last hundred years there have been a number of areas in our society in which profit making has been ruled out. It has been ruled out with respect to streets and sidewalks, sewer and water systems, public schools and universities. Surely, such a basic human right as having a decent place to live is another area where profit making should be put aside, at least for those on low incomes, for those who live in slums and in substandard housing.

The introduction of the bill is the fourth or fifth time since 1966 that this method has been tried. Its purpose allegedly is to ensure that more money is made available for mortgages for housing. Available to whom? Available to the poor? Available to the people on low wages? Available to people on fixed incomes? No, Mr. Speaker. Each time parliament has dealt with a similar piece of legislation more mortgage money has been made available all right, but available at interest rates that only those with middle and high incomes can afford. It has not made more mortgage money available for those who need housing the most. I hope members of the official opposition will reconsider their position on this legislation. I beg them to reconsider. I beg them to join us in calling on the government to introduce legislation providing interest rates in the nature of 6 per cent for people earning less than $10,000 or $12,000 a year.

Some time ago I spoke to a group of young ladies at a school. I advised them that when they left school they should plan on going through two or three husbands during the rest of their lives, because it was unlikely that the first one would live long enough to pay for the home they would buy. It seems to me insensible and unjust that a home valued at $15,000 or $20,000 should cost a total of $70,000, $80,000 or $90,000 by the time the mortgage has been paid off. I am not opposed to all profits and I am not opposed to a reasonable or fair profit in many areas of our society. But surely, Mr. Speaker, this kind of profit is immoral and surely the motive of profit in the area of decent homes for those who do not have decent homes, is immoral.

● (1640)

If the government wants to ensure that there is a lot more money available in the mortgate market for housing, and particularly to make sure it is available for those who can afford to pay, then this bill must be defeated. The government must bring in legislation to accomplish the purpose that I am sure it wants as sincerely as we do. To suggest that people on incomes of $8,000, $10,000 or $12,000 a year can afford mortgages at a 10 per cent interest rate is an illusion. We all know that families with two, three or four children living on $8,000, $10,000 or $12,000 a year find that a greater and greater share of that income goes for shelter than for food. With each rise in interest rates, a greater portion of the low income goes to paying off a mortgage that will last for 25 or 40 years. Surely even the profit makers, in all conscience, do not want to make profit at that kind of social cost and that kind of indecency to their fellow citizens.

I will be very happy to oppose this legislation and I hope my colleagues in other corners of the House will do the same thing. It will not be a disaster for the minister in charge of housing. He can bring in another bill in two or three weeks or tomorrow or whenever we are here, to do some of the things that we have been advocating for many years to make a greater volume of money available for people on low and fixed incomes.

I have heard the minister refer many times to the number of homes that have been built in the last few years in this country, and there is no doubt that tens of thousands of homes were constructed each year. But they were not for the people who needed them most; they were for the people who could afford them. Imagine what a sufficient supply of mortgage money at rates of 5 per cent or 6 per cent would do for the economy—what it would do for the lumber industry, the furniture industry, the fabricating industry, the appliance industry. Imagine how it would help employment and keep down the cost of living for ordinary families on low incomes. I am sure that is the kind of objective that every member of this House has in his own mind. But to suggest that such an objective can be reached by requiring people on low incomes to pay an interst rate of up to 10 per cent, is not realistic.

When the minister replies I hope that he will have something constructive to put forward on the proposals we have made and that the government can accomplish, as soon as possible, what we have been advocating in the area of housing for people on low incomes.

Hon. Paul Hellyer (Trinity): Mr. Speaker, I had not intended to speak in this debate, but I understand that my name has been mentioned two or three times and consequently I have decided to participate briefly.

This bill does not, of course, guarantee that mortgage rates will come down. Even the minister in his wildest dreams would not suggest that would be the result. But he did indicate that if there is a tendency, it would be to exert downward pressure on interest rates to the extent that it channels additional funds into residential mortgages. For that reason, and because this is a useful instrument which will enable mortgages to become more liquid and more attractive to some investors, I think the bill is worthy of the support of the House.

The NDP is quite right when they suggest that the bill is not going to solve the housing problem in Canada. Housing costs are too high, interest rates are too high and something must be done about the situation, but unfortunately the solutions put forward by the NDP are not the right solutions. As a matter of fact, one of the reasons the economy is in such a mess at the present time is that we have followed for too long policies advocated by the NDP and because they refuse to face the basic economic facts of life.

An hon. Member: They do not know them.

Mr. Hellyer: I understand that mention was made of the fact that I was responsible for taking off the fixed interest rates on NHA mortgages. This is absolutely correct, Mr. Speaker, and there were good reasons for it. Unfortunately, these gentlemen in the far corner, because they are totally unacquainted with the building business, would not understand why that was absolutely necessary.

Previously, Mr. Speaker, the NHA interest rate was set by order in council at 2¼ points above the long term Government of Canada bond yield. If that formula were still in effect today, the interest rate on NHA loans would be just about what it is. As a matter of fact, for most of the period since the fixed rate was taken off, mortgage money was available under the National Housing Act at rates lower than would have been the case if the rate had been set by order in council. Anyone who has had the least bit of experience with the building business knows that for the decades rates were set by order in council, the rate was either too high or too low 90 per cent of the time.

Some hon. Members: Too high.

Mr. Hellyer: The academic know-it-alls in that corner of the House, Mr. Speaker, have all the answers.

Some hon. Members: Hear, hear!

Mr. Hellyer: I thought they would applaud that statement, but the second sentence is: like many of their kind they are unfamiliar with the problems.

Some hon. Members: Hear, hear!

Mr. Hellyer: The reason was obvious to anyone who know anything about the business. When the mortgage rate was higher than the market, too much money flowed into housing and when it was lower than the market, no money flowed in. Consequently, there was this boom and bust cycle that everyone has been objecting to, and even the NDP have been saying that housing should not be used as a countervailing economic force in Canada but should be consistently operated in accordance with the needs of the people.

That is precisely the reason the limit was taken off. Having fixed interest rates under the National Housing Act put dozens of the best builders in this country out of business, just because some other academic know-it-alls in Central Mortgage and Housing thought they knew better than the market at all times what the interest rate should be. It did not work. I can cite chapter and verse where subdivisions were begun, model houses were built and sales were made in advance but no money was available to build the houses people required, even though the houses had been sold in advance, because of the rigidity of a system which did not take market forces into account.

My hon. friends have suggested that the present rate of 10 per cent is ridiculously high and I must say that I agree with them completely.

[Mr. Hellyer.]

Some hon. Members: Hear, hear!

● (1650)

Mr. Hellyer: They also give the impression, and I think this is an impression, that this is the rate in real terms. Mr. Speaker, if we are to learn about our economic situation, we must begin talking in real terms and not in money terms, as has been the case during most of this debate. An interest rate of 10 per cent on mortgages sounds like a great deal. When you consider the inflation rate of 8.3 per cent, which you must deduct from that 10 per cent, and then deduct about three quarters of 1 per cent which is required for administering a mortgage, you will find that the total cost of inflation and of administering the mortgage amounts to about 9 per cent. That leaves an effective, real rate of return of 1 per cent on a 1 per cent mortgage. That is a pretty low rate of interest in real terms.

Some hon. Members: Oh, oh!

Mr. Hellyer: My hon. friends should listen, because there are lots of things about this business that they do not understand. There are lots of things which they do not teach you at school, professor, believe me.

Not only is that one per cent rate of real return minimal, but the whole profit, so to speak, is subject to income tax. If you pay income tax at a rate of 30 per cent or 40 per cent, you will be in the hole from day one. Any person who puts personal investments in NHA mortgages at 10 per cent today will be in a negative position so far as the real rate of return is concerned. In these circumstances, there is not much incentive for ordinary investors to put their money into mortgages.

Would my hon. friends to my left, who try to leave the impression that they believe in fairness and honesty, honestly say to any Canadian today, "It would be a good idea if you put your personal savings into NHA mortgages at 10 per cent. That would be a good investment." Would they say that when there is an 8.3 per cent inflation rate and when the whole profit, so to speak, is subject to income tax at progressive rates? I do not think they would.

The real problem is the economy itself, and here is where hon. members to my left refuse to face facts. You have high interest rates because of inflation. They are a sympton of inflation and, so long as you have inflation at present levels, you will have high interest rates. There is no way under heaven in which you can get away from this fact. When will the NDP wake up to this fact? When will they wake up to the factors that cause inflation?

An hon. Member: What is your solution, 1929 all over again?

Mr. Hellyer: Listen. Then hon. member for Don Valley (Mr. Gillies) and others have tried to tell you, but you have a blind side, because so much of your money comes from a source which refuses to let you listen to the solution. You should keep that in mind.

An hon. Member: Bullshit.

Mr. Hellyer: I hope that is on the record.

An hon. Member: I hope it is, too.

Mr. Hellyer: The Canadian Labour Congress said, "Let us have no wage or price controls."

Mr. Deputy Speaker: Order, please. I think the hon. member for Trinity (Mr. Hellyer) should remember that he is really addressing the Chair and the "You" previously referred to would not appear to be the Chair. I realize that he is directing his remarks to the party in the far left corner, but I think he should follow the more traditional method of debate and perhaps we could avoid some of the unfortunate expressions which are getting on the record.

Mr. Woolliams: On a question of privilege, Mr. Speaker, I do not think Your Honour ought to call the hon. member who has the floor to order. It is the hon. member for Skeena (Mr. Howard) who ought to be called to order. Is Your Honour afraid?

Mr. Deputy Speaker: The Chair is not afraid. The Chair heard an unfortunate expression, knew from which direction it came, but did not know from which corner it came.

Mr. Hellyer: Mr. Speaker, I do not wish to argue with you but I had, I thought, paid all the usual respects to the Chair. My remarks to that corner of the House were directed through you, Sir, and if from time to time I seemed to turn my back on the Chair, that was simply inadvertence on my part. I wanted to get as best I could the attention of the NDP who have, I feel, done this country a great disservice in not coming to grips with the basic fundamentals of the problem which apparently concerns them.

That problem is this: So long as wages and prices are rising faster than productivity, you will have inflation. It is difficult to separate at present the proportion of inflation caused by international commodities from that proportion which is caused by the cost-push cycle. If one wanted to make a reasonable guess, one could say that perhaps, of the total inflation in Canada today, about 25 per cent, if you could isolate it, is due to international commodity prices and demand pressures from outside this country. The rest of it, Mr. Speaker, is made in Canada, is made here. Fifty six per cent of our Gross National Product last year was in wages and salaries, including military pay. If that 56 per cent increases at three to four times the average rate of increase of productivity, there is no way that you can avoid inflation. It is just simple arithmetic. If 56 per cent of the GNP goes up at three to four times the average rate of increase of productivity in real terms, you have to print a lot more money to provide any kind of reasonably full employment. If you have to print more and more money in order to provide a reasonably satisfactory level of employment, you will have the kind of inflation which we have today. We must face the facts.

My hon. friends know that these wages and salaries are part of costs. If, for any business in the country, costs go up, the mark-up, which is usually in percentage terms, is applied to the increased costs as well. So, increased costs are reflected in increased prices. Thus one sees the cycle of increased costs leading to increased prices. It is really futile to argue whether increasing prices cause increasing wages or whether increasing wages cause increasing prices, as the two are interrelated. We must accept that fact, or we will continue to experience the kind of inflation that we are seeing today as far ahead into the future as one can visualize.

The other contributing factor to inflation in Canada is the level of government expenditures. My friends of the NDP—and they are not the only ones who are guilty, as I will be the first to admit—have been pushing for more government expenditures. They have been pushing for new programs, for readjustments of all kinds, and in many cases these are justified. Again, let us return to the facts, Mr. Speaker.

If the average increase in productivity per person in Canada in real terms is of the order of 2 or 3 per cent, and if all governments in Canada increase their take of the Gross National Product by 1 per cent per year each year, as they have been doing for the last seven or eight years, there will be less left for the workers in this country, in real terms, to spend for themselves. Consequently, the wage gains which have been negotiated are less in real terms than they otherwise would have been. So, although in some cases unions of Canada have negotiated wage agreements calling for increases of 7 or 8 per cent, by the time you allow for the increase in governmental expenditures and the graduated income tax, and inflation the total gain is zero in real terms.

My friends to my left keep avoiding the critical issue. They say, "Let us have a review board which will look at prices and even roll back prices." But they will not do the same with wages and salaries. If you are to go through that process with prices, you must also go through the same process with salaries, because wages and salaries constitute a bigger proportion of the Gross National Product than any other single factor. They constitute a far, far greater proportion than profits, for example, and the trend is continuing in that direction. From 1949 to the present the proportion of the Gross National Product which is made up of salaries has been increasing and the proportion which is made up of profits has been decreasing.

So I say to my friends, if you are serious about housing, if you mean what you say, if you want interest rates to come down, do something about it; let that something be supporting an incomes policy along the lines put forward by the Progressive Conservative party.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hellyer: There is no other solution. You can make all the great speeches you want and "con" some of the people you talk to, because you are so eloquent, and make them believe things that they do not understand, but you are not being honest with them and you are not being honest with yourselves. If you want to reduce the level of inflation in Canada to anything like an acceptable level, you need to have a policy which stops this upward pressure by powerful unions and oligopolies. There is no way of avoiding it.

● (1700)

Recently in the Edmonton *Journal* there were two headlines in the same week, one stating that construction workers had turned down a wage increase of something in the order of 94 cents. I cannot remember the exact figure.

The other headline stated the minimum wage would soon be increased to $2.

An hon. Member: Is that too much?

Mr. Hellyer: No. It is not enough to live on, not enough to buy the products made by those earning $8 or $9 an hour. It is out of joint. The pecking order is distorted. it is not fair, reasonable and just. We have to regulate the strong on behalf of the weak. It is ridiculous to have a minimum wage of $2 when the houses those people have to buy are built by people earning $9 or $10 an hour. It is absolutely and utterly ridiculous.

The situation is actually deteriorating. It is getting worse as time goes on. If you go on the basis of percentages, when the fellow earning $8 and $9 an hour gets an 8 or 9 per cent increase, that is a big increase in terms of cents per hour. When the fellow making $2, $2.25 or $2.35 an hour gets that type of increase, he starves. He cannot afford food, clothing or shelter. He cannot afford to live. What do you do? You subsidize food, clothing and housing. You have to twist everything around and hire hundreds of thousands of bureaucrats to pass the money back and forth. These people should be paid a decent wage in the first place. They should have enough to look after food, clothing and shelter.

It is very disappointing to get all of this righteous indignation from the far corner of the House about interest rates on housing. No one is more concerned about it than we in this party. The present situation is absolutely unacceptable. It has deteriorated consistently over a period of about 15 years. Fifteen years ago, a working man in this country could aspire to owning his own house. That is not the case today. It is getting worse all the time. If we want to reverse the trend, we will have to do something about land costs, as recommended long ago by the task force and supported by this party. Something will have to be done about interest rates. To do that, we need an incomes policy to stop this cost-push element of inflation in our country.

Let's be realistic. Let's be honest. Let's not kid ourselves and the people. Let's stop this inflationary cycle. If the New Democratic Party is really serious about trying to do something about the housing problem, the next time there is a motion from this side of the House condemning the government for its lack of action in respect of an incomes policy, let's have some support from that part of the House.

An hon. Member: Vote against this bill.

Mr. Hellyer: This is an innocuous bill. It will not do any harm. It may do some good. I spend a lot of time worrying about this. Why not do something about the fundamental situation? The NDP say this bill will not solve the problem. They are right. This is not the solution. The solution is much more fundamental. The solution is to have some basic relationship between wages and prices and productivity so there are fair shakes for all of the workers of Canada and not just the powerful getting the big stakes while others do not have enough to live on and look after the needs of their families. The Minister of Transport (Mr. Marchand) understands this. It is too bad he cannot persuade his colleagues to do something about it.

If the hon. gentlemen in the far corner of the House really want to do something for Canadian workers and housing, they will reverse their one-sided, myopic policy and come out in favour of an incomes policy which is realistic; one which applies realistic guidelines to the profits of the oligopolies, and the wages of the members of the big powerful unions. We could then start to bring the situation under control. When we do that, interest rates will come down. When interest rates come down, ultimately the average man in this country will again be able to look forward to getting a house for himself and his family. We hope we will have the support of the NDP in this endeavour.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I do not want to take the floor too long during this debate, but as a result of the intervention of the leader of the Social Credit Party of Canada, the hon. member for Témiscamingue (Mr. Caouette), I must specify a few points. As a matter of fact, the hon. member made a fair and honest description of the situation and the problem of income as regards housing in Canada, and he proposed a real solution, namely the use of credits of the Bank of Canada, which belongs to all Canadians, to help bring about a fair situation in housing, to enable low income people to have access to family and suitable housing.

Faced with such facts, Mr. Speaker, it is not the first time that members of the Social Credit party call for a policy of income based on prices, on the cost of living in general and on the needs of citizens. It is not the first time that we say that the same causes bring about the same effect. As a matter of fact, three years ago, we passed a similar legislation. We will pass again—I hope personally that it will be turned down—a measure designed to increase a little bit the interest rate, create a new ivory tower dreamed up by public servants, which finally will not solve in any way the problem of housing.

Mr. Speaker, ministers and hon. members return the ball to one another and play politics. The Progressive Conservative members say that what the Liberals are doing is no good; the Liberals say that the Progressive Conservatives have not understood anything and New Democrats say that an interest rate of 6 per cent would be more suitable than the present rate of 7¼ per cent, and, as one of the previous speakers said, when we proposed a rate of 6 per cent, these people called for a 3 per cent rate.

In any case, Mr. Speaker, I would like to remind a former Minister of Regional Economic Expansion, the hon. member for Langelier (Mr. Marchand), and the minister responsible for CMHC and mover of this bill (Mr. Basford), of the current situation in my part of the country in Quebec. Today, we heard at length about the problems of Newfoundland. Let us now hear what goes on in Quebec.

In my remarks on the subject, I shall base myself not on the literature influenced by the social credit doctrine but rather on that supplied by the civil servants and the government itself. I shall refer to a publication, a working paper prepared by the Department of Regional Economic Expansion as a contribution to the federal-provincial consultations bearing on a regional development policy for Canada, published in April 1973 and entitled "Quebec—Economic Situation and Development Possibilities".

Mr. Speaker, while the ministers, the governments which are succeeding each other ask Parliament to grant millions of dollars in a given sector, establish new departments to fight unemployment, to develop construction, they keep on putting up hypocritically with an 11 per cent sales tax on building materials, further to the 8 per cent provincial tax. Meanwhile, the situation in the area of housing keeps on worsening in spite of these measures.

Mr. Speaker, it is not I who will say it. Before beginning my quotation, I would like to remind the House that we hear frequently: When housing is doing well, so is the economy. When it is doing bad, so is the economy. It is often said that this is one of the true barometers.

Mr. Speaker, on page 5 of the report that I referred to earlier, one can read and I quote:

In absolute terms, the income per capita and gains per capita (excluding government transfers) are both below the national average,—

● (1710)

And this concerns the province of Quebec.

In Quebec, per capita personal income amounted to $3,027 in 1971 as compared with $2,443 in the Atlantic area, $2,778 in Saskatchewan and $3,967 in Ontario.

That is the income situation. Is the situation improving in spite of allegedly good measures, both in the field of income security and social security as in the field of lodging and other areas, for example, economic expansion?

Page 6 reads as follows and I quote:

So, in Quebec per capita personal income in 1967 was $235 below the national average but, in 1971, $378.

Therefore, the income situation which would permit to buy a house grows worse and worse.

Let us take another item dealt with in the same report and concerning employment in the building industry.

We are told that the building of houses should be encouraged, that a new organization similar to the Central Mortgage and Housing Corporation is going to be created and that a new interest rate corresponding to the cost of living will be established. The governments have of course no control over this; they are controlled by those who control the cost of living. Now let us consider what is said about the employment rate which was to increase. On page 35 it is stated, and I quote:

The employment growth decreased during the second half of the last ten years and mainly in the service area. Between 1966 and 1971 the employment rate decreased by 25,000 workers in the building industry.

There was an employment decrease of 25,000 people in Quebec. And the minister will tell us that his policy was effective up to now and therefore that it was a good policy.

Mr. Speaker, I would advise him to read other departments' publications; he could see that the object of his policy up to now was to get votes. The damn well lied—as people usually say—as we know that according to this report, employment in construction decreased by 25,000.

That is what is being said on housing, considering as always the so-called good measures we have tolerated far too long, in housing in Canada. While reading the speeches from the ministers of that time, be they Progressive Conservatives, Liberals or NDP, one was under the impression that that was going to settle the problem, to provide a solution. Now let us see how things really stand. On page 36 of this report, under the title "Housing", one can read and I quote:

Housing: The main housing problems in Quebec are a matter of quality in housing and means of acquiring a house rather than a matter of quantity.

You will understand why in a few minutes. It is very simple: the birth-rate is falling.

I come back to the quotation:

The standards normally used to determine quality in housing show a steady improvement; it remains that Montreal and the province of Quebec—

And at this stage, I invite the minister to listen to me with great attention.

—it remains that Montreal and the province of Quebec as a whole have twice as many overcrowded dwellings than Toronto and the province of Ontario respectively.

—Moreover, in Montreal in 1971, more than 24,000 housing units did not have running water (6,000 in Toronto) and 16,395 units had no bath or shower.

And this situation existed in Montreal, in Canada, in 1971.

Mr. Speaker, how can we improve this situation? If people live in tenements, it is because they cannot afford to buy a house, because their income is too low for them to obtain the money they need from the Central Mortgage and Housing Corporation or the other financial institutions. And it is not with a bill such as the one before us, which will contribute to put people further in debt, that we shall solve their problems. I see that 24,000 units in Montreal—right here, in 1971—have no running water and that 16,395 have no both or shower, I believe that it is my duty to ask the minister to think twice before saying that all it takes to solve the problem is another "rigging" of government officials who will investigate and determine what the problems of housing are.

Mr. Speaker, this situation is revolting, and on page 37 of the report, we read that:

Low income families—

Some hon. members suggest that Creditistes have coloured dreams when we say that the monetary and financial system are the root of the problem.

I continue the quotation:

Low income families—

How many are there of these in the province of Quebec? In 1967, there were 248,000 low income families in Quebec.

Low income families (248,000 families in Quebec in 1967) must frequently spend an excessive portion of their incomes on housing at the expense of other essentials, unless they accept to live in overcrowded or substandard lodgings.

—without baths, showers or running water.

This problem is particularly acute in the cases of our senior citizens and Indian population (35,000 people in Quebec); the latter are the worst off in the province, as far as lodging is concerned.

And it is not over yet. I read on:

In Montreal, housing stock increased by 47 per cent between 1961 and 1971—

When we were supposed to have some extraordinary legislation allowing the construction of a greater number of dwellings and meant to improve the availability of housing for those families, the conditions are as follows:

The housing stock in Montreal has increased by 47 per cent between 1961 and against 1971 against 60 per cent in Toronto. While the number of individual dwellings is increasing more slowly than the number of apartments—

—the large apartment buildings where people are shut in—

—in other Canadian areas, the contrary is true in Quebec; however, a reversal of that trend has recently been noted. The number of housing starts in Quebec between 1961 and 1971 has been lower than the national average.

If the present trends are maintained, the increase in number of households in Quebec will remain substantially stable, that is 52,000 a year up to 1986; in Ontario, it will increase from 92,000 a year between 1971 to 1976 to 119,000 a year during the period of 1981 to 1986—

Mr. Speaker, that is the context in which Bill C-135 will be applied.

Those are the facts; I am not making them up. They are from the Minister of Regional Economic Expansion. After all the efforts of the former minister of Regional Economic Expansion and those of successive ministers, those are the results.

Mr. Speaker, still too many Canadians do not have access to ownership, particularly those on low or fixed income, older people, unemployment insurance recipients, social welfare recipients and so many others. It was said earlier that over 248,000 families in Quebec did not have access to ownership.

Well, Mr. Speaker, I want to say to the minister that as long as he will sponsor finance-dictated bills encouraging a system of indebtedness for Canadians and increased profits for those profiteering companies he will prejudice the normal evolution of a normal society that is there to allow every citizen to have a decent home.

Mr. Speaker, it is time to understand that the problem is not one of knowing whether the interest rate would be 7¼, 6 or 3 per cent but one of realizing that in order to pay back that interest of 7¼, 6 or 3 per cent, Canadians must have an adequate income, and as long as those who help finance make money to the detriment of small people who do not have the means to increase their income are allowed to continue to do so, we will be faced with an extremely serious housing problem.

While I am at it, I would also like to say to the minister that there would certainly be grounds for an in-depth and serious inquiry into the questionable practices of Central Mortgage and Housing and certain contractors. Mr. Speaker, dog houses are being built with their co-operation; houses crumble down, houses where construction is clearly at fault and inadequate, small houses that cannot be heated in winter, and that are being built here and elsewhere, especially in Quebec; I know at least that in Quebec, this is so. I seems to me that the minister could do more, he who is responsible for that Crown corporation. He could see to it that the standards of that corporation are followed, that the homes where Canadians will live are truly comfortable and of reasonable quality.

[Mr. Fortin.]

Mr. Speaker, if anything must be done, let us do it well and tackle the real problem. First, the sales tax on building materials imposed by the federal government ought to be abolished if we really mean to get better homes built and made available to more people. Secondly, new sources of funds should be created through CMHC by having recourse to the services of the Bank of Canada. If governments can turn to the chartered banks to finance their housing programs, why can they not do it by calling upon the institution that belongs to all Canadians, the Bank of Canada?

● (1720)

In closing, Mr. Speaker, I urge the minister to give special attention to those areas where slums, unsanitary, inadequate and even revolting housing conditions prevail, and as a matter of urgency to set up programs that will enable these people to move either into 15-floor apartment buildings or into single family dwellings.

It seems to me that this government like, the previous ones, have failed utterly with regard to that problem of special importance to our large urban centres. We know that large urban areas will continue to grow and expand to the detriment of rural areas. We must now establish, urbanization programs which will respect human beings, which will allow Canadians to live adequately in respectable and acceptable homes.

At present, Canadians are forced not only to reimburse two or three times the initial value of their home, but governments do not check the quality of these homes and do not see to their improvement.

Finally, if seems to me, and I would like to tell him in a sincere way, that current programs to help owners improve their home are plainly insufficient and do not agree with reality. Many of our fellow citizens would like to improve their property, their original investment, but credit charges are excessive and these people are forced to forsake it and let their home deteriorate. Here again, it seems to me that the minister would be more than welcome it he tackled this particular problem of improving existing buildings and especially the financial problems it involves.

[*English*]

Mr. Deputy Speaker: Order. I would advise the House that if the minister speaks now he will close the debate on second reading.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I will be very brief so we may vote before six o'clock pursuant to the order of the House. I want to make a few remarks about some of the debate we have had.

First of all, I am extremely indebted to my colleague, the hon. member for New Westminster (Mr. Leggatt). Nine out of the ten speeches in the debate today and yesterday have come from members of the New Democratic Party, and I am indebted to my hon. friend from British Columbia for pointing out that he joined the debate because he did not know much about housing, and judging by the other speeches, nor did any of the other members. As I say, I am indebted to him for that perceptive comment on the speeches of his colleagues.

Yesterday, and to some extent this afternoon, our friends from the New Democratic Party clothed themselves, as they often do, in self-righteousness and pointed out that they were the only members of the House who had any humanitarian instincts, any concern for the housing needs of the people of Canada. For a group that claims to be the only humanitarians in the House, I am surprised, as the hon. member for Calgary North (Mr. Woolliams) was, that they repeatedly have to tell us and the people of Canada that they are the only humanitarians. I thought that humanitarianism was something that was obvious, that stood out, and that we need not be told about it once, twice, three times during the course of each speech.

Some hon. Members: Oh, oh!

Mr. Basford: Obviously, the Canadian people, all of whom are humanitiarian, have not bought their sales talk.

Mr. Nelson: They sure did in the west.

Mr. Basford: Most of the speeches have dealt not with the bill at all but with the housing situation in Canada and measures that were passed by this House a couple of months ago. I had hoped that the research assistants of the New Democratic Party had read Bill C-133 and the information put out just recently by CMHC as to those new amendments dealing with all the new housing programs of the government. But obviously they have not done so. I would encourage them to do so, Mr. Speaker, so that they know what the housing policy of this government is.

In the speeches of these hon. members yesterday and today, there was no mention of the measures passed by this House, and now implemented by CMHC and the government of Canada, dealing with problems relating to non-profit housing corporations and how benefits have been expanded, the new co-operative housing program, the neighbourhood improvement program, and the repair and rehabilitation program that my hon. friend from Quebec spoke about the other day, all of which are aimed at low and moderate income Canadians and which correct some of the housing difficulties that they encounter.

Similarly, there was no mention of the measures this House just passed, and which are now implemented, regarding land assembly and the amount of money set aside for that program, or the programs dealing with public housing, or the amendments to the National Housing Act with regard to Indian housing and the right of Indians to avail themselves totally and completely of programs under the National Housing Act.

Mr. Benjamin: Get to the bill.

Mr. Basford: There was no mention by them of the assisted home ownership program, about which I wish the members of the New Democratic Party would read and persuade people to take advantage of. I would be happy to send them a description of that program.

The hon. member for Moose Jaw (Mr. Neil), I think it was, said words to the effect that we need a housing program to look after people with incomes between $6,000 to $7,000. Details may be obtained from the program itself, but generally it will serve families in the income range of from $6,000 to $11,000 per annum by way of subsidized interest rates, reducing interest rates to as low as 6 per cent for people in the low and moderate income ranges.

The best thing that this group could do for housing, Mr. Speaker, is to persuade at least three of the governments with which I think they have some connection, British Columbia, Saskatchewan and Manitoba, to take full advantage of these newly passed programs. Then, instead of two days of rhetoric we might get some houses built in British Columbia, Saskatchewan and Manitoba. I hope the members of the New Democratic Party will take that message with them to those three provinces, and that my hon. friend from Quebec who has just spoken will also take that message to the government of Quebec and ask them to take full advantage of the programs that this parliament has just enacted.

This bill is another measure, another instrument, in a comprehensive housing program and must be related to the other measures of which I have spoken which were enacted in Bill C-133, the amendments to the National Housing Act. This bill will benefit a very substantial number of people. However, the criticism of last evening apparently was that it is a bill that is directed toward the middle income people who are looking for their own mortgage money. Apparently a bill addressed to the middle income people in the eyes of the NDP is a bad bill. While Bill C-133 was aimed at and provided a program for, low and moderate income people this bill is aimed at those who can make their own way, but apparently it is not for this parliament to address itself to those Canadians who want to and can make their own way. According to the speeches of last night this bill is bad in NDP eyes because it attends to the problems of homeowners in Vancouver, Toronto, Montreal and Winnipeg. I think a bill which looks after the homeowners of Vancouver, Toronto, Montreal, Winnipeg and Ottawa is a pretty good bill. But apparently those are areas of the country which this parliament should not concern itself with because these are cities which, at least according to the NDP, should be ignored.

● (1730)

This bill will help people in those cities and others because essentially it will make it easier and more attractive for people, not just institutions, to invest their savings in residential mortgages. It is designed to bring in new and often small people, small savers, who now do not operate in the mortgage field, by making mortgages easier to deal in and by making them, in relation to other forms of investment, more attractive to institutions like pension funds and credit unions so that they may come into the mortgage business more heavily.

The purpose of this bill is to attract new money into mortgages. There has been a good deal of discussion in the speeches about the banks, life insurance companies and trust companies. This bill is not directed at and will not benefit them. They are in the mortgage business. This bill is not aimed at bringing those people into the residential mortgage business. It was drafted in a technical way to answer specifically the request, for example, from a group in my province which is important, the British Columbia Central Credit Union. This union, and the credit unions across Canada who are increasingly playing an important part in residential mortgages, wanted to avail themselves

of the residential mortgage exchange corporation to be set up by this bill. I had thought that the New Democratic Party had some friendship and support for the credit union movement across Canada. All I can say is that in opposing the mortgage exchange corporation they are getting out of touch with what I thought was their own constituency. The making of mortgages and the mortgage document more liquid through the mortgage exchange corporation compared with other forms of investment will lend a greater degree of competitiveness in relation to other investments and will attract more capital which will have a downward effect on interest rates.

As I have pointed out, this is a highly technical bill. Essentially what we are trying to do is create two new institutions, the residential mortgage exchange corporation to create a market of exchange for mortgages and the mortgage insurance corporations to bring new investors into the field, not the banks, the insurance companies or trust companies which already are there but pension funds, retirement plans, credit unions and small investors. I was surprised to hear the objections of the NDP. I say surprised because I know parts of this bill, such as the exchange corporation, are wanted and needed by the credit unions of this country who are engaged in the residential mortgage business. I would have hoped that the NDP would have supported the creation of an institution which would allow the credit unions of this country to play an even more important part than they are already.

I was sorry to hear all the speeches about rip-offs. I would have hoped that rather than the doctrinaire approach, the clichés and rhetoric we have had we might have had an analysis of the bill. It seems to me, however, that clichés and rhetoric seem to be, judging by the speeches we heard last night, a substitute for thinking and analysis in the view of the NDP. I am sorry we have had the rather worn-out advertising slogan they used in the election campaign and since, because I think it has blinded them to what this bill is really all about.

The interest on mortgages accrued by mortgage investment companies is passed on to the shareholders and taxed in their hands. That is hardly a rip-off. If the investor in mortgages is an individual, it is part of his taxable income. In the case of a corporation investing in mortgages, that income from mortgages is taxable as corporate income. All we are doing is avoiding putting a double tax on mortgage interest payments. Surely, if we taxed mortgage interest twice, once in the hands of the mortgage investment corporation and once in the hands of the shareholder, be he individual or corporation—as the NDP is advocating—that would only serve to push rates up and slow down the flow of residential mortgage business. Surely, in the face of the growing savings and pension funds in this country it would be assinine to tax their income from mortgages when we at the very same time are trying to encourage those pension funds to become involved in residential mortgages. As I say, it would be assinine to do that.

If the pension funds, the savings of Canadian workers—which is what pension funds are—are invested in mutual funds, stocks and bonds and are non-taxable, are we to take the NDP view that we should tax the funds of the Canadian workers which are invested in pension funds and retirement plans when they are used to help the housing situation in this country through investment in residential mortgages. The NDP say tax them. That is a silly policy. It is what happens when a party such as the NDP uses clichés and rhetoric rather than thinking and analysis.

Mr. Broadbent: I rise on a point of order, Mr. Speaker. I am enjoying this very, very humourous address but one of the rules of the House, of course, is that one must stick well within the canons of honesty. I should like the minister to present one illustration in support of the claim he just made, namely that members of the New Democratic Party said that representatives of the trade unions or other groups which have money in mortgages should be taxed for this activity. Was there one speech in the debate which made that claim?

Mr. Deputy Speaker: Order. That is really not a point of order. I daresay the minister may have some difficulty in this respect when the bill is in committee where points like that can be raised. However, if he wishes to reply he may.

Mr. Basford: Mr. Speaker, it comes about by reason of the fact that pension funds, as a rule, are not engaged in residential mortgage business. There are instruments which we hope will attract them into the residential mortgage market. The NDP is saying that those corporations should not be set up and that such a tax arrangement is a rip-off, and they are therefore making it impossible or much more difficult for those pension funds to be in the residential mortgage business.

• (1740)

Some hon. Members: Oh, oh!

Mr. Lewis: That is pretty tortuous, Ron.

Mr. Basford: In conclusion—so that we can leave before six o'clock—may I point out that I have tried to remind hon. members of what this bill is all about, namely, simply to establish two institutions: one, a mortgage exchange corporation to provide greater liquidity to mortgage documents and in that way attract more people into the residential mortgage business, and two, to allow the formation of mortgage investment companies so that those smaller investors and pension funds which are not now engaged can, through the tax instrument of mortgage investment companies, be attracted, we hope, into lending money on ordinary houses in this country. I have never said that this bill is the whole answer to the housing problem. It is one part of a comprehensive program that has to be considered in particular relationship to Bill C-133, which was just passed, which was supported by the NDP who, in my reading of the debate, were complimentary about that bill which was aimed at the problem of low income Canadians in this country.

This bill, of course, like any other bill, does not remake the world.

Some hon. Members: Oh, oh!

An hon. Member: Well said.

Mr. Howard: It does not even recognize that the world exists.

Mr. Jamieson: Your members would take eight days to do that.

Mr. Basford: I have not seen a bill yet that remade the world, but perhaps the NDP think that they have. I know that they feel they are closer to God than most.

Mr. Lewis: Which God, Ron?

Mr. Basford: But it seems to me that it should, it does and it will benefit Canadians and improve the capital market and the flow of money into the residential mortgage business in this country. Surely, in view of the present situation in the country, that bill should be supported. We are building houses in record numbers in this country, 260,000 units a year. We will need $4 billion to $5 billion a year in investment to maintain those targets. Surely, this kind of bill which can introduce into the residential mortgage business, I would estimate, some $500 million almost immediately should not be turned down. Surely, we should pass this legislation to attract that money into the residential mortgage business and make that contribution toward solving the problems we have. I hope hon. members will support the bill.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Basford) which was agreed to on the following division:

● (1750)

(*Division No. 40*)

YEAS

Messrs:

Alexander	Baldwin	Bell
Allmand	Basford	Blais
Andras	Bawden	Blaker
Andre	Beattie	Blenkarn
Arrol	(Hamilton	Buchanan
Atkey	Mountain)	Caccia
Baker	Béchard	Caron
Carter	Hymmen	McKinley
Clark	Isabelle	McKinnon
(Rocky Mountain)	Jamieson	McRae
Clarke	Jarvis	Morin (Mrs.)
(Vancouver	Jelinek	Muir
Quadra)	Jerome	Munro
Clermont	Kempling	(Hamilton East)
Coates	Knowles	Neil
Comtois	(Norfolk-	(Moose Jaw)
Corbin	Haldimand)	Nielsen
Côté	Lachance	O'Connor
Cullen	Laflamme	Olivier
Cyr	Lalonde	O'Sullivan
Danforth	Lang	Ouellet
Darling	Langlois	Paproski
Davis	Laniel	Patterson
Demers	La Salle	Pelletier
Dick	Lawrence	(Sherbrooke)
Diefenbaker	Leblanc	Penner
Dinsdale	(Laurier)	Poulin
Drury	Leblanc	Railton
Dupont	(Westmorland-	Reid
Dupras	Kent)	Richardson
Epp	Lefebvre	Ritchie
Éthier	Lessard	Roy
Fairweather	Loiselle	(Timmins)
Fleming	Lundrigan	Roy
Foster	MacDonald	(Laval)
Fox	(Cardigan)	Schellenberger
Fraser	MacDonald	Sharp
Gauthier	(Egmont)	Smith
(Ottawa East)	Macdonald	(Saint-Jean)
Gendron	(Rosedale)	Stackhouse
Gillies	MacDonald (Miss)	Stanfield
Goyer	(Kingston and	Stevens
Gray	the Islands)	Stewart
Guay (Lévis)	MacGuigan	(Marquette)
Guilbault	MacInnis	Stewart
Haidasz	(Cape Breton-	(Okanagan-
Hales	East Richmond)	Kootenay)
Haliburton	MacLean	Stollery
Hamilton	Madill	Thomas
(Qu'Appelle-	Marceau	(Moncton)
Moose Mountain)	Marchand	Towers
Hargrave	(Langelier)	Trudeau
Hellyer	Marchand	Trudel
Herbert	(Kamloops-	Turner
Higson	Cariboo)	(London
Hopkins	Marshall	East)
Horner	Masniuk	Watson
(Crowfoot)	McCain	Whicher
Horner	McCleave	Whittaker
(Battleford-	McGrath	Woolliams
Kindersley)	McKenzie	Yanakis—146.
Hueglin		

NAYS

Messrs:

Allard	Godin	Leggatt
Barnett	Grier	Lewis
Beaudoin	Howard	MacInnis (Mrs.)
Benjamin	Knight	(Vancouver
Boisvert	Knowles	Kingsway)
Broadbent	(Winnipeg	Mather
Dionne	North Centre)	Nelson
Douglas	Lambert	Nystrom
Firth	(Bellechasse)	Orlikow
Fortin	Laprise	Peters
Gilbert	Latulippe	Rodriguez
		Symes—29.

● (1800)

Mr. Speaker: I declare the motion carried.

Bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: It being after six o'clock—the hon. member for Peace River (Mr. Baldwin).

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, there has been some discussion, but just to make sure I rise to ask the government House Leader about the business for tomorrow. Will it be the Parole Act?

Mr. Lang: Mr. Speaker, there has been some discussion and we will be disposed to commence tomorrow with the Parole Act.

Mr. Speaker: It being after six o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

It being nine minutes after six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, September 20, 1973

The House met at 2 p.m.

[*English*]

PRIVILEGE

MR. HALES—ALLEGED INCORRECT INFORMATION SUPPLIED BY MINISTER RESPECTING LOCAL INITIATIVES PROGRAM

Mr. A. D. Hales (Wellington): Mr. Speaker, I rise on a question of privilege, notice of which I have given Your Honour, affecting not only myself but every member of the House. My question of privilege deals with misleading, incorrect and false information supplied by the Minister of Manpower and Immigration (Mr. Andras) in regard to the Local Initiatives Program.

In a letter dated August 23 the minister wrote to all members of parliament setting out the liaison procedure for the program. The letter states that constituency advisory groups will be established to recommend projects to the minister. On page 2 of his letter there is the following statement:

> Members may nominate as many people as they like in each category in order of priority, from which I—

Meaning the minister.

> —shall select the members of the constituency advisory group . . . My decision will be final.

In other words, the minister says that he will make the final selection.

In the yellow document that is handed out by the Manpower offices to those who apply for LIP grants it is stated, on page 1, paragraph (b):

> . . . Members of parliament are invited to set up Constituency Advisory Groups . . . In cases where members of parliament do not wish to set up a Constituency Advisory Group, the Department of Manpower and Immigration will carry out the selection function in consultation with the local member of parliament.

The fact is that the minister has the final selection of the members of these groups. My point of privilege is that this pamphlet, "Information for Applicants", which is issued in the ridings, gives a false impression in that the people in the ridings and the press are led to understand that the local member of parliament chooses the members of the advisory committee as outlined in this circular.

The minister and his department have therefore misled the public by stating the fact that members of parliament have the right to choose and set up the advisory committees whereas in fact they do not have this right. They can only suggest names. The minister selects the members and his decision is final. I suggest, Your Honour, that by this false information supplied to applicants for LIP grants members of parliament are being held responsible not only for the formation of the constituency advisory groups but also, if grants are turned down, it will appear that it is the local member of parliament and his advisory group who have denied certain requests for grants whereas in fact it will be the minister, on the recommendation of the advisory groups which he sets up, who will refuse LIP grants.

I raise this question, Sir, because it affects not only myself but all members on both sides of the House. If you find that I have a prima facie case of breach of privilege I will move, seconded by the hon. member for Fraser Valley East (Mr. Patterson):

> That all correspondence, circulars and pamphlets pertaining to this matter be referred to the Committee on Privileges and Elections for study and report.

Mr. Speaker: The grievance raised by the hon. member for Wellington is one which was raised before in the House, last week, I believe, by the hon. member for Yukon when he very forcefully objected to or took issue with the statement of the minister. The matter was considered at that time. I suggest to the hon. member that there is not a prima facie case of privilege. He proposes a motion. I suggest to him that this is a substantive motion and not a privileged motion. In the circumstances I respectfully suggest to the hon. member that this is not the kind of matter that the House should consider at this time.

* * *

HOUSE OF COMMONS

RECOGNITION OF GROUPS OF VISITORS IN GALLERIES—RULING BY MR. SPEAKER

Mr. Steven E. Paproski (Edmonton Centre): On a point of order, Mr. Speaker, I beg your indulgence but today is an historic day for this chamber as we have here 42 senior citizens from Edmonton Centre who are visiting parliament. I feel that when people travel 2,400 miles just to see the way parliament operates—

Mr. Speaker: Order, please. I appreciate the position of the hon. member for Edmonton Centre, who at this time wants to bring to the attention of the House the presence of very distinguished citizens from his constituency. I am sure all members are pleased to see them here, but at the same time I suggest to the hon. member it is extremely bad practice to do what he is attempting to do at this time. Every day there are distinguished visitors in the members' gallery and in my gallery, visitors from my constituency and other members' constituencies, but if we were to embark on a practice of recognizing visits by senior citizens, junior citizens, or any other groups visiting the House of Commons we might spend most of our day bringing to the attention of the House the presence in the galleries of our distinguished constituents. After what I heard yesterday during the question period that might be an improvement—

Some hon. Members: Hear, hear!

Mr. Speaker: —but, all this having been said, I am sure the hon. member for Edmonton Centre, who is a well liked member of the House, will appreciate the position of the Chair.

ROUTINE PROCEEDINGS

[*English*]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

On the order: Motions:

April 4, 1973—Mr. Howard:

That the second report of the Standing Committee on Indian Affairs and Northern Development, presented to the House on April 4, 1973, be concurred in.

Mr. Speaker: Yesterday when the hon. member for Skeena proposed to move that the second report of the Standing Committee on Indian Affairs and Northern Development, presented to the House on April 4, 1973, be concurred in, the Chair suggested that it might be irregular to proceed with the said motion at that time. With the assistance provided by the hon. member himself in his submission to the House, the Chair has given careful consideration to this matter. It would appear to me that not only is the rule of anticipation involved here but there is also the application of certain Standing Orders which I suggest bear on this case.

● (1410)

The hon. member has obviously given serious thought to the procedural difficulty involved. It seems to me that in the submission of his argument he has agreed with the proposition that his motion anticipated the order for the adjourned debate on the motion proposed by the hon. member for Kingston and the Islands. Incidentally, the records indicate that the hon. member for Skeena seconded that motion. That in itself introduces a further complication which I will merely mention and on which I will not make a ruling.

As the hon. member pointed out yesterday, the Chair, in interpreting the rule on anticipation, should have regard to the probability of the matter being brought before the House within a reasonable time. I would suggest that the probability of resuming debate on a motion by the hon. member for Kingston and the Islands is still an open question. The Chair must assume that that probability is still open.

In my view, consideration of two specific Standing Orders touching upon the procedural question is relevant at this time. Standing Order 45(2) reads as follows:

When a debate on any motion made prior to the reading of the Orders of the Day is adjourned or interrupted, the order for resumption of the same shall be transferred to and considered under government orders.

[Mr. Speaker.]

That Standing Order was permanently enacted in 1968 on the same occasion that the House, in the words of the hon. member for Skeena, "embarked upon a new structure and concept regarding the operation of the standing committees." The Chair cannot assume that the committees and the House as well were not fully aware at the time of the effect of the provisions of that Standing Order.

Finally, the Chair must refer to section 2 of Standing Order 18 which reads as follows:

Government orders shall be called and considered in such sequence as the government determines.

The provisions of that Standing Order, I suggest, are so clear and explicit that they preclude the Chair or any member other than those in the government from designating any government order to be taken up at any sitting.

As stated in citation 13 of Beauchesne's Fourth Edition:

. . . An express order of the House, whether standing or occasional, supersedes every mere usage or precedent. In the absence of any express order "what can or ought to be done by either House of Parliament is best known by the custom and proceedings of parliament in former times."

Without a doubt the anticipation rule must be taken into account as a guide in our proceedings, but in this case its application must be interpreted in the context of the Standing Orders to which I have referred.

The Chair has no difficulty about the hon. member's motion being allowed to remain on the order paper but I suggest, with respect, to the hon. member that it would be difficult to accept from a procedural standpoint that the motion be put and debated at this time.

Mr. Howard: Mr. Speaker, I wonder if I might, therefore, with the consent of the House, ask leave to withdraw the motion, saving always the right to reintroduce it at an appropriate time in the future.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

* * *

AGRICULTURE

BEEF—GOVERNMENT POLICIES RESPECTING EXPORTS AND TARIFF—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Speaker: The hon. member for Danforth.

Mr. H. W. Danforth (Kent-Essex): Kent-Essex, Mr. Speaker.

I respectfully request leave of the House to present a motion under Standing Order 43. The matter is of most urgent and serious concern to all Canadians in general and to the producers of cattle specifically. If the House is sympathetically disposed to grant approval, I propose to move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That the government policies on the restriction on exports of beef and especially the removal of tariff protection on this commodity entering Canada without a reciprocal agreement with the

United States, be referred at the earliest opportunity to the Standing Committee of Agriculture for study and report back to the House.

Mr. Speaker: For the record, perhaps I might indicate that the hon. member has not been named. The House has heard the motion proposed by the hon. member for Kent-Essex. Under the terms of Standing Order 43 it requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

INDIAN AFFAIRS

SECOND REPORT OF STANDING COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Frank Howard (Skeena): Mr. Speaker, I rise pursuant to Standing Order 43 to seek permission of the House to move a motion of urgent and pressing necessity concerning the need of the House to be able to respond at an early date to the second report of the Standing Committee on Indian Affairs and Northern Development relating to aboriginal rights. I would therefore move, seconded by the hon. member for Saint-Maurice (Mr. Chrétien):

That this House set aside Friday, September 21, 1973, for the consideration of Item No. 32 under Government Orders being: Resuming debate on the motion of Miss MacDonald (Kingston and the Islands), seconded by Mr. Howard, That the second report of the Standing Committee on Indian Affairs and Northern Development, presented to the House on April 4, 1973, as amended by unanimous consent, be concurred in. And that, at 15 minutes before the ordinary time of adjournment, unless the debate be previously concluded, Mr. Speaker shall interrupt the proceedings and forthwith put every question necessary to dispose of the said motion.

Mr. Chrétien: On a point of order, Mr. Speaker, the hon. member said that the hon. member for Saint-Maurice was the seconder of the motion, that being myself. He has not talked to me yet.

Mr. Speaker: Order, please. The Chair was going to inquire whether there is a seconder for the motion. There does not appear to be a seconder.

Mr. Howard: Mr. Speaker, that was an oversight on my part. It is the hon. member for Northwest Territories (Mr. Firth) who is the seconder of the motion.

Mr. Chrétien: Mr. Speaker, I am glad the hon. member has recognized that my interest in the north is such that he confused the two ridings.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

Mr. Howard: On a point of order, Mr. Speaker, in as much as the only person present on the other side of the House who said no was the Minister of Indian Affairs and Northern Development, perhaps he would explain why he does not want this matter to come forward for debate.

Mr. Speaker: Order, please. Perhaps the Chair might allow the minister to stand up and say that he was not one of the members who said no, but I think that would not be fair to the House and I think it is not fair on the part of the hon. member for Skeena to suggest that one particular hon. member said no. From the procedural standpoint, what is relevant is that there is not unanimous consent. In my hearing there was not unanimous consent and the motion cannot be put.

* * *

THE CANADIAN ECONOMY

COST OF LIVING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise to seek unanimous consent of the House under the provisions of Standing Order 43 to move the following motion, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That in view of the fact that the government has not taken adequate measures to deal with the high cost of living and as a result, elderly and lower income Canadians are finding it almost impossible to exist, this House requests that the Prime Minister of Canada postpone his planned trip to the People's Republic of China and also that he not undertake any other junkets that may be contemplated, and in addition—

Mr. Speaker: Order, please. The Chair has indicated very often that it is elementary, the operation of Standing Order 43 being what it is, that hon. members should refrain from making allegations and often gratuitous statements in motions under Standing Order 43. The procedure has not made it possible so far to have a debate on motions proposed under Standing Order 43. I think this has been understood by hon. members who have generally refrained from making or resisted the temptation to include arguments in their proposed motions. I suggest that a motion couched in the terms proposed by the hon. member is entirely irregular and should not be put to the House.

Mr. Cossitt: On a point of order, Mr. Speaker, I would therefore, with your permission, move simply as follows, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this House requests the Prime Minister to remain in Ottawa and forthwith to direct his government in an immediate and full-scale attack on inflation by means of the essential anti-inflation measures proposed by the Progressive Conservative party.

Mr. Speaker: The hon. member for Shefford.

● (1420)

[*Translation*]

AIRPORTS

STE.-SCHOLASTIQUE—REOPENING OF EXPROPRIATION FILES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I rise under the terms of Standing Order 43, to ask the unanimous consent of the House to discuss a most pressing matter.

In view of the huge difference in the way the expropriated were treated at Ste.-Scholastique compared with those at Pickering, I move, seconded by the hon. member for Champlain (Mr. Matte):

That a special committee of the House be formed to reopen and study all the files on all expropriated at Ste.-Scholastique in order that they might be treated exactly as those at Pickering were, taking into account the true respective evaluations.

Mr. Speaker: The House has heard the motion of the hon. member. Under Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: As there is not unanimous consent, the motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

CONSUMER AFFAIRS

POSSIBILITY OF LEGISLATION TO DEAL WITH ALLEGED PRICE GOUGING BY SUPERMARKETS—BREAD PRICE MONITORING

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Prime Minister. In light of his statement to the House in July that in the event of evidence there was any gouging in connection with food pricing the government would take action, by legislation if necessary, and in view of the evidence given by the Minister of Agriculture and charges of gouging by supermarkets, is it the intention of the government to introduce legislation to enable itself to deal with this alleged situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the position of the government is still the same. Having regard to the action being attempted by the Food Prices Review Board, the publicizing of whatever findings they have and the summoning of responsible people before them, if in all these circumstances it appears that corrective action is not taken the government will seek parliamentary authority to act.

[Mr. Speaker.]

Mr. Stanfield: I take it from the Prime Minister's answer the government does not place much weight on the evidence of the minister. Has the government set up any machinery to monitor bread prices at this time in order to ensure that the increased subsidy and the various arrangements made by the government with regard to domestic wheat will keep bread prices down, as promised by the Prime Minister at the time of his earlier statement?

Mr. Trudeau: Yes, Mr. Speaker. If the hon. gentleman recollects the terms of my statement, it was to the effect we would ask the Food Prices Review Board to follow the various subsidies we are making to ensure that they are passed on to the consumer, and to report to the government if they are not. I believe they are engaged in this task at the present time.

MONITORING OF SALES TAX AND TARIFF CUTS TO ENSURE BENEFITS REACH CONSUMERS—REQUEST FOR REPORT

Hon. Robert L. Stanfield (Leader of the Opposition): In view of the importance of monitoring and the experience we have had with assurances by the government about minitoring, I wish to ask the Minister of Consumer and Corporate Affairs whether, after six months or more, we can now have the report of his department or group with regard to the monitoring of results of the budget changes and the passing on of those changes to the consumers? Can the minister assure us this report will be tabled in the House today, tomorrow or early next week?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I previously informed the House that I expected the surveys for the purpose of preparing this report to be completed about this time. It is my hope to have the work on the report completed as soon as the survey results are made available to the officials.

* * *

ENERGY

TAR SANDS OIL—POSSIBILITY OF EXEMPTION FROM TWO-PRICE SYSTEM AND EXPORT CONTROLS—GOVERNMENT POSITION

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources arising out of reports of an agreement between the government of Alberta and Syncrude for the production of oil from the Athabasca tar sands. Has Premier Lougheed or Syncrude made a request to him directly, or to the government as far as he knows, that the oil produced by this process be exempted both from the two-price system and from any export controls Canada may have? If so, what has been the reply to such request?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I would have to confirm this with my office, but to my knowledge I have received no such request either from the company or from Premier Lougheed. I might say that the full details of the Syncrude project are not yet known to us. We learned about them on

television and we look forward to obtaining further information as time goes on.

Mr. Lewis: In view of the fact that according to press reports the letter of intent signed by Premier Lougheed and Syncrude makes the arrangement conditional on the obtaining of such exemptions from the federal government, will the minister assure the House that the interests of the Canadian consumer as to supply and price will be protected and that exemption from the two-price system or from export controls will not be granted in the Syncrude situation?

Mr. Macdonald (Rosedale): I think I would have to know more about the project. The fact remains that both in terms of income taxation and in terms of protecting the Canadian market the responsibility does lie upon the government to put the interest of Canadians first, as indicated in the National Energy Board Act.

Mr. Lewis: In view of the fact that the minister has told the House there will be legislation introduced to deal with some of the policies announced on September 4 or 13—I forget the precise date—and in view of the fact that the request of the oil corporations and the Conservative premier of Alberta would hypothecate the oil of the Athabasca tar sands to the United States until such time as Canadian prices are equal to or higher than United States prices, may I ask the minister whether he can assure the House that the legislation to be introduced will not exempt any part of the multinational oil industry from the requirements?

Mr. Macdonald (Rosedale): I really would not like to anticipate the legislation. Perhaps I could regard the hon. member's question as a representation.

Mr. Lewis: And a strong one.

* * *

[*Translation*]

AIRPORTS

STE.-SCHOLASTIQUE—POSSIBLE REOPENING OF EXPROPRIATION CASES

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the hon. Minister of Public Works.

Does the hon. minister intend to reopen the files of expropriated people in Ste.-Scholastique so as to deal with them the same way he did with Pickering owners?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I do not intend to reopen these files because I am satisfied that expropriated people in Ste.-Scholastique have obtained the same justice as will Pickering residents. However, I have agreed to receive in my office next week five spokesmen for the expropriated people. I am sure we can convince these people that they have been fairly treated. However, if there are points in their favour which have been overlooked, I shall be pleased to consider them with justice and an open mind.

STE.-SCHOLASTIQUE—ALLEGED BLACKMAILING BY GOVERNMENT EMPLOYEES RESPECTING EXPROPRIATION

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, on a supplementary.

Does the Minister of Public Works intend to take the necessary steps to prevent his officials from blackmailing the expropriated owners of Ste.-Scholastique who are presently under his department's pressure?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, I am under the impression that the blackmail is not applied by officials but by certain representatives of the people who are trying to stir up part of the people against the government.

Mr. André Fortin (Lotbinière): Mr. Speaker . . .

Mr. Speaker: Order, please. Is the hon. member for Lotbinière raising a point of order or is he asking a supplementary question?

Mr. Fortin: Mr. Speaker, I have a supplementary question.

Mr. Speaker: Order, please. I said, a moment ago, that we were trying to complete the first series of questions, which we have now done. We will come back to this question later. I note that the hon. member for Argenteuil-Deux-Montagnes and others wish to ask supplementary questions. We will now come back to the subject involved in the first question.

• (1430)

[*English*]

The hon. member for St. John's East I believe has a supplementary to the first question.

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs who is momentarily out of the House. If Your Honour will kindly take this into account I shall resume my seat.

* * *

ENERGY

TAR SANDS OIL—REQUEST FOR ANALYSIS OF ALL EVIDENCE BEFORE DECIDING WHETHER TWO-PRICE SYSTEM AND EXPORT CONTROLS SHOULD APPLY

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources. In light of the question by the hon. member for York South and the fact that many thousands of jobs are being developed in Alberta by the Athabasca tar sands project, as the minister knows, and also in light of the fact it has operated in the red to date, will the minister make certain that all the evidence will be analysed before following the suggestion of the hon. member for York South who seems to want to kill development not only in Alberta but elsewhere?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I shall look forward to receiving full evidence about the Syncrude project either from the premier or the company.

TAR SANDS OIL—POSSIBILITY OF JOINT FEDERAL-PROVINCIAL DEVELOPMENT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask a supplementary question of the minister. In view of the fact we ought to ensure that we do not make the same mistakes in developing the tar sands as were made in developing the oil fields and turn them over to the multinational corporations, I want to ask the minister whether the government is prepared to make an offer in principle to the oil-producing provinces that have tar sands to develop them on a joint basis so that the federal and provincial governments might develop and control the tar sands oil in conjunction with the public?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we mentioned at the Western Economic Opportunities Conference our interest in priority in assisting in the development of the oil sands, particularly in research and development. I have not yet made, nor have I been authorized to make, any offer such as suggested by the hon. gentleman.

Mr. Douglas: In view of the fact that these fields must be developed in the next few years if we are to meet the anticipated oil shortage likely to arise by 1983, may I ask the minister if the government is prepared to give serious consideration to a joint public involvement on the part of the federal government with those provincial governments that are willing to co-operate?

Mr. Macdonald (Rosedale): Mr. Speaker, I am prepared to give that serious consideration.

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CONSUMER AFFAIRS

INCREASED FOOD PRICES—EFFECT OF GOVERNMENT'S MONETARY POLICIES

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, my question is supplementary to that of the Leader of the Opposition and is addressed to the Prime Minister. Is the government studying the extent that the rise in food and other prices has been caused by the government's own monetary policies and, if so, what steps are planned to change those policies?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member had occasion to hear the Minister of Finance in the debate the other day and the Minister of Consumer and Corporate Affairs, he would perhaps begin to understand that, on the contrary, our fiscal and monetary policies have made the situation better in Canada than in most other industrialized nations.

[Mr. Woolliams.]

WELFARE

CONSULTATION WITH PROVINCES ON INCREASING OF PAYMENTS IN LIGHT OF COST OF LIVING

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the fact that the continuous increase in the cost of living affects those on low and fixed incomes, and in view of the fact the Prime Minister indicated that the federal government would pay 50 per cent of any increases by the provinces under the Canada Assistance Plan and social assistance, would the minister indicate if he has been in consultation with all the provinces, whether they have indicated agreement to such a plan, and what action the federal government intends to take in this regard?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have indeed consulted my colleagues. As a matter of fact, I consult them regularly. Since that time the provinces of Ontario and Quebec have already announced an increase in their welfare payments. I understand that several other provinces are reviewing their present scale of welfare payments, which had already been increased prior to this month, and that there may be further adjustments in the future.

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[*Translation*]

AIRPORTS

STE.-SCHOLASTIQUE—MEASURES TO FACILITATE SETTLEMENT OF EXPROPRIATION CASES

Mr. Francis Fox (Argenteuil-Deux-Montagnes): Mr. Speaker, I should like to put a supplementary question to the Minister of Public Works.

Can he inform the House whether he is prepared to set up a mechanism which could ease a satisfactory settlement of the 350 pending expropriation cases at Mirabel?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, at the request of the hon. member for Argenteuil-Deux-Montagnes as well as those of Terrebonne (Mr. Comtois) and Labelle (Mr. Dupras), we have created a conciliation committee which will do exactly this work. I hope they will settle the odd remaining cases to the satisfaction of all concerned.

STE.-SCHOLASTIQUE—MEASURES TO HASTEN PAYMENT OF COMPENSATION FOR LANDS EXPROPRIATED

Mr. André Fortin (Lotbinière): Mr. Speaker, knowing the efficiency of the Minister of Public Works and his two colleagues whom he has just named and who do not meddle in politics, I should like to ask him a question.

Considering that a great number of expropriated persons have not yet received their compensation cheques and that the rent charged to the persons involved has been increased without any prior consultation, can the minister say what steps he intends to take to cope with departmental dilatoriness?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, we are taking all possible and necessary steps to solve the problem as quickly as possible.

* * *

[*English*]

WELFARE

FEDERAL CONTRIBUTIONS UNDER CANADA ASSISTANCE PLAN—PROVINCIAL REPRESENTATIONS FOR ADDITIONAL AID

Mr. David MacDonald (Egmont): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. With regard to the need for increasing welfare payments, particularly in the poorer provinces, and recalling the Prime Minister's remarks about the 50 per cent cost-sharing arrangement under the Canada Assistance Plan, I wonder whether the minister has had any indication from the poorer provinces concerning whether additional assistance needs to be provided in order that adequate welfare payments can be made?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, no particular representation has been made in this regard. Discussions have taken place in the general review of social problems, but I have not received any special representations lately.

* * *

POST OFFICE

REMOVAL OF ROYAL CIPHER, E-II, FROM MAILBOXES AND VEHICLES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister. I would have directed it to the Postmaster General had he been here. It has to do with the removal of the Royal cipher, E-II from Royal mail pillar boxes and post office vehicles in recent days. Was that done as a result of cabinet action or was it done administratively by the department of the Postmaster General?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to consult the minister on this. I have no recollection that it was done in cabinet. It is possible that it could have happened in some cabinet committee that would have escaped me but I rather think not. The only communication I had with the Postmaster General on this general subject was a few months ago when he told me that he intended to publish special stamps, the largest ever published in Canada, to commemorate the reign of Her Majesty Elizabeth II.

Mr. Diefenbaker: The Machiavellian definition of respect for the monarchy as just revealed by the Prime Minister is difficult of interpretation. I ask him simply, was the Queen's cipher removed from the Royal mail in order to exemplify the newly-found devotion of the government for Her Majesty following her visit?

Mr. Trudeau: On the contrary, had we intended to remove the symbols of the monarchy we would not have proceeded in this way. We would not have invited Her Majesty, and I take it she would not have come, to visit Canada twice at the invitation of the government in the past year, and she would not have been as well received and as happy about her visit as she is.

Some hon. Members: Hear, hear!

• (1440)

Mr. Diefenbaker: Mr. Speaker, perhaps the Prime Minister will be able to answer this question. Was it with government approval or was it left to the Postmaster General to do what I have suggested has been done in recent months? Surely the Prime Minister does not suggest that removing any suggestion of the monarchy is a means of showing the government's devotion to that institution?

Mr. Trudeau: Mr. Speaker, if the hon. member will read the blues he will realize that he has repeated his question practically word for word—

Mr. Diefenbaker: I am not getting an answer.

Mr. Trudeau: —and that my first answer gave the whole truth and nothing but the truth on the question he asked.

Some hon. Members: Oh, oh!

Mr. Horner (Crowfoot): You have never done that in your life.

* * *

BILL OF RIGHTS

SUGGESTED ACTION TO EMBODY IN CONSTITUTION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the right hon. Prime Minister. In light of the fact the majority decision of the Supreme Court of Canada in the Lavell case has cast serious doubts on the efficacy of the Canadian Bill of Rights to protect Canadians against discrimination on the grounds of sex, religion and race, and in light of the Prime Minister's lifelong concern about a constitutional bill of rights, will he now renew the efforts of the government to obtain a consensus so that we may obtain a constitutional bill of rights available to all Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for the preamble because he correctly states my interest in achieving this end. I can only remind him that the federal government and the provinces went through a great many constitutional conferences between 1968 and 1972—

Mr. Diefenbaker: And between 1961 and 1962 as well.

Mr. Trudeau: —and were unable to reach a consensus on the constitutional bill of rights which he suggests and which, of course, we were promoting during that period. It is still government policy to obtain that, but I cannot say there are immediate plans to convene a constitutional conference for that purpose.

Mr. Brewin: Mr. Speaker, in view of the fact that fortunately, from my point of view, there have been a number of changes in the heads of governments in the different provinces since then, will the Prime Minister not now fix a definite time to consult with the provinces on this matter, perhaps with a different and happier result?

Mr. Trudeau: Mr. Speaker, I certainly welcome the suggestion. I will wait a few more months to ensure there are no further changes in governments and, if possible, I will perhaps in a discreet way initiate the consultation he has suggested.

* * *

TRANSPORT

REQUEST THAT MINISTER INTERVENE TO PREVENT RAILWAY FREIGHT RATE INCREASE ON OKANAGAN FRUIT

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is for the Minister of Transport. In view of the fact he restated in the House the day before yesterday the 18-month freight rate freeze accepted by the railways, and in light of the fact the railways have announced an 11 cents per hundred weight increase in freight rates on fruit from the Okanagan to Toronto and Montreal effective October 1, will the minister order the railways to withdraw this rate increase?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I cannot say anything more than what I already said to the House yesterday or the day before. What I asked the railways to do was to avoid increasing the normal rates, but as far as agreed rates and certain other rates are concerned it was up to the parties to decide.

Mr. Whittaker: Mr. Speaker, I might say that this is a normal rate, not an agreed rate. Will the minister now tell us what types of freight rates and commodities are affected by the freeze, and what percentage of the total freight traffic this represents?

Mr. Marchand (Langelier): Mr. Speaker, when the hon. member puts the question that way I think he is distorting what I said. I said I was asking the railways not to increase the rates. I do not personally have the power to make a decree freezing freight rates. According to the law, and this act was adopted by the House in 1967, the railways are free to increase freight rates and to justify them to the Canadian Transport Commission. All I did was to ask the railways not to increase the normal rates.

* * *

GRAIN

PRICE AT WHICH FEED GRAIN WILL BE SOLD TO EASTERN CANADA

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct a question to the Minister of Justice who is in charge of the Canadian Wheat Board. I understand he made an announcement today concerning the Agricultural Products Board price for feed grain in western Canada. I also understand he is trying to establish a monitored weighted average price for feed grain being sold in western Canada. Can he inform the House and the country at which level feed grain barley will be sold to eastern Canada? Will it be the Agricultural Products Board price or the average weighted price which he is trying to determine?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would simply like to confirm the policy as announced.

Mr. Diefenbaker: It would be nice to have it announced in the House.

Mr. Lang: The selling price in Canada will be based on the determined off-board price. The purpose of the Agricultural Products Board price is to ensure that no barley or oats is moving at prices below that level.

Mr. Horner (Crowfoot): Mr. Speaker, I understand the price will be the monitored weighted average price which he is attempting to determine, but who will make up the loss? Let us suppose no barley is bought by the Agricultural Products Board and the Wheat Board has to turn over the grain to it. Who will make up the loss represented by the difference between that price and the international price that farmers may receive when they get their final payments?

Mr. Lang: Mr. Speaker, again I welcome the opportunity to clarify for the hon. member the fact that the Agricultural Products Board will not be selling feed grains to anyone in Canada. The Canadian Wheat Board will continue to sell feed grains to the Canadian market on the basis of the price at which non-board grains are trading in the Prairie region. The grain obtained by the Agricultural Products Board, at a price which we are telling the farmers we think is still too low considering the price available from the Canadian Wheat Board, will be stored unless the Canadian Wheat Board needs and wants it for its own purposes.

Mr. Horner (Crowfoot): Who makes up the difference?

Mr. Speaker: The Chair will recognize the hon. member on a final supplementary, and then the hon. member for Charlevoix.

Mr. Horner (Crowfoot): Mr. Speaker, can the country and the House assume that the loss or shortage will come out of the barley pool in the final accounting of the Wheat Board?

Mr. Lang: Mr. Speaker, the question of the price at which barley or oats is in fact traded in Canada depends on the price at which farmers in the Prairie region are willing to sell, and that will be the price to be used as the basis for sales elsewhere.

Mr. Horner (Crowfoot): You did not answer the question. Who makes up the loss? The farmers ought to line you up and shoot you when you go out there.

[*Translation*]

HEALTH

INQUIRY RESPECTING INTENSIVE USE OF DRUGS IN TREATMENT OF MENTAL PATIENTS

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. Has he received representations on the harmful effects of the intensive use of drugs as a therapy for mental patients?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I regret, but I did not understand the hon. member's question. Would he kindly repeat it?

Mr. Caouette (Charlevoix): Mr. Speaker, can the minister tell us if he has received representations concerning the harmful effects of the intensive use of drugs as a therapy for mental patients?

Mr. Lalonde: No, Mr. Speaker.

Mr. Caouette (Charlevoix): Mr. Speaker, is the minister aware that even though the use of drugs in psychiatric treatments may be effective in the short term, in the long term the use of phenothiazins in the case of 50,000 mental patients has resulted in permanent destruction of the nervous system and of the cells—

Mr. Speaker: Order, please. I should point out to the hon. member that he is giving a medical opinion and I do not think that he can express an opinion instead of asking a question. Could the hon. member ask his question—

Mr. Caouette (Charlevoix): Mr. Speaker, I was just coming to my question.

Is the minister prepared to act in this area in order to limit the intensive use of these drugs, as recommended by the committee on institutional psychiatry.

Mr. Lalonde: Mr. Speaker, I will be happy to examine the medical opinion given by the hon. member.

[*Later:*]

[*English*]

Mr. Atkey: Mr. Speaker, I rise on a question of privilege pursuant to the question asked by the hon. member for Charlevoix. I made a submission to the Minister of National Health and Welfare one week ago today on the very subject of that question. I made further submissions orally to him on Monday of this week. The committee which gave rise to those submissions about which the hon. member raised the question is located in my constituency and they raised matters of serious and national importance. I regret to say that the minister today has infringed my privileges by saying that in fact he has had no submissions on the question.

● (1450)

GRAIN

FEED GRAINS—POWERS OF AGRICULTURAL PRODUCTS BOARD AND WHEAT BOARD TO PURCHASE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I have a supplementary question for the minister in charge of the Wheat Board. I assume from his statement that the Agricultural Products Board will be able to purchase all grades of wheat, barley and oats from the farmers. I should like to ask him if that is so and also whether it is his intention to bring in amendments to the Wheat Board Act so that the Wheat Board may also purchase grain from the Agricultural Products Board as well as from farmers?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the prices which have been set at this time for barley and oats are on the base of No. 1 feed barley and No. 1 feed oats, basis Thunder Bay. The Agricultural Products Board prices will range downward for lower quality grain. The Products Board will not pay a higher price for higher quality grain if it is offered to it, the feed price being the basic one which will be available. The question of the steps that may be required in order to facilitate operations between the Agricultural Products Board and the Canadian Wheat Board to the maximum advantage of the Canadian Wheat Board is being determined, but if legislation is necessary it will be introduced at that time.

PRICE TO FARMER FOR BARLEY USED DOMESTICALLY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I am trying to analyse the formula placed before the House by the Minister of Justice. It seems to make the Einstein theory look like simplicity itself. I have done some figuring here and I want to find out whether it is not correct. As of today, on the basis of the new formula the minister has produced or that has been concocted, is it not a fact that the western farmer would receive 90 cents a bushel for his barley less than he would on this particular day on the international market?

Hon. Otto E. Lang (Minister of Justice): The fact of the matter is that the price which has been set for the Agricultural Products Board for feed barley, for instance, is 58 cents a bushel higher at the elevator than the Canadian Wheat Board's initial price, but it is set at this level as a midway point between the initial price and the expected final return. No farmer needs to receive the Agricultural Products Board price because, with the expected high quotas that will be available, he can and indeed should hold his grain and sell it to the Canadian Wheat Board.

Mr. Diefenbaker: Mr. Speaker,—

Mr. Speaker: Order, please. The Chair will recognize the right hon. gentleman and then the hon. member for Saskatoon-Biggar, and by that time we will have come pretty close to the end of the question period.

Mr. Diefenbaker: Again I repeat the question. As of today, is it not correct that if a farmer sold his feed barley in western Canada he would get 90 cents per bushel less

than he would on the international market? That is a simple question.

Mr. Lang: No, Mr. Speaker.

Mr. Diefenbaker: How much less?

Mr. Lang: The simple fact is that if he sells to the Canadian Wheat Board he gets the full value of the Canadian Wheat Board initial price and final payment. If, instead, he chooses to accept a total amount without any hope of final payment, he does obtain less, but that is his choice.

Mr. Horner (Crowfoot): This is an insult to the western farmer. Get a judgeship from Trudeau while you can.

Mr. Speaker: Order, please. Hon. members will appreciate that much of the question period has been spent on this very important matter. I recognize that it is very important, but we must not forget that there are other matters of interest to other members of the House of Commons. The hon. member for Saskatoon-Biggar has a supplementary question. We will then try, in the last three or four minutes before the end of the question period, to look at another aspect of Canadian life.

FEED GRAIN—REQUEST THAT AGRICULTURAL PRODUCTS BOARD NOT BE ALLOWED TO PURCHASE UNTIL LEGAL STATUS VIS-À-VIS WHEAT BOARD CLARIFIED

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to seek some clarification from the minister in charge of the Wheat Board. According to my understanding, the Canadian Wheat Board is not legally entitled under its present act to buy grain from the Agricultural Products Board. Will the minister delay putting the Agricultural Products Board into operation as a purchaser of western grain until such time as the legal status of the two boards is clarified under the Canadian Wheat Board Act?

Hon. Otto E. Lang (Minister of Justice): If I were to give the hon. member a legal opinion, it would not be to confirm his premise.

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CONSUMER AFFAIRS

MONITORING OF SALES TAX AND TARIFF CUTS TO ENSURE BENEFITS REACH CONSUMERS—REQUEST FOR REPORT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs from whom I have been attempting for many months to get a copy of the report on the monitoring of the February budget changes. Is the minister prepared to honour the statement he made on September 7 that the report would be ready about the middle of September, which has now passed, and can he now give the House a firm date when this report, real or imaginary, will be made available to the House and the public, or are we to regard this whole thing as nothing but a worthless sham?

Some hon. Members: Oh, oh!

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, I said in the House on September 7 that it was expected that the work on the report would be completed about the middle of September, and I stand by the rest of what I said in the answer to that question.

Mr. Stanfield: I rise on a point of order, Mr. Speaker. The minister said that the report would be ready by the middle of September. I read the answer and I want the minister to stop fooling around with the House.

Some hon. Members: Hear, hear!

Mr. Gray: Mr. Speaker, I rise on a question of privilege. I have here the *Hansard* extract. I said:

> Work on this has been going on. I expect it to be completed about the middle of September.

This is consistent with the answer I have just given.

[*Later:*]

Mr. Stanfield: Mr. Speaker, I hesitate to rise on a question of privilege but this is a matter which has been before the House for a number of months. I should like to read the answer given on September 7 by the Minister of Consumer and Corporate Affairs. He said:

> Mr. Speaker, the Leader of the Opposition is incorrect in suggesting that I have been refusing to prepare a report. Work on this has been going on. I expect it to be completed about the middle of September. It will be delivered to the Minister of Finance, following which I trust its conclusions will be made available appropriately to the House and the public

Mr. Guay (St. Boniface): What's your problem, Bob?

Mr. Stanfield: Hon. members opposite may not regard it as of any importance that the minister has been giving the House an assurance on this subject for a matter of seven months and has not lived up to it. I say there can be no doubt, reading that answer, that the report was to be completed by the middle of September, and I want to know when the minister is going to bring this long delayed report to the House. What is he trying to hide?

Mr. Gray: Mr. Speaker, the Leader of the Opposition neglected to point out that there was a period between the word "September" and the word "It". He slid over that in his usual manner when raising his point of privilege. I said the report would be presented when it was completed, and I am going to stick to that.

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URBAN AFFAIRS

POSSIBILITY OF GREATER ASSISTANCE TO SMALL TOWNS IN FINANCING SEWAGE TREATMENT SYSTEMS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs responsible for CMHC. In view of the urgency of the clean-up program on the Great Lakes system and the

difficulties of small towns in financing sewage treatment systems, can the minister say if more generous financial assistance, with special consideration for small municipalities, will be offered by the federal government in the agreements to be signed with the provinces this year?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I said some time ago that the sewage program of CMHC which expires in 1975 is under review. I hope to make recommendations to my colleagues within a matter of weeks and I hope to announce that, as I have made clear to the provinces, this fall. Of course, I think that one of the features that must be considered in revising the sewage support program is the position of small towns which have not been able to take full advantage of the program until now.

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● (1500)

ENERGY

OIL—PRICE OF WESTERN CRUDE IN EASTERN CANADA UNDER GOVERNMENT POLICY

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, the Minister of Energy, Mines and Resources has ducked out of the chamber. In his absence I will direct my question to the Prime Minister, although since it deals with western Canada and oil he may not understand.

Mr. Speaker: Order, please. The hon. member was given the floor as the question period was about to end for the purpose of asking a question. Perhaps he might attempt to do that, after which I will call orders of the day.

Mr. Bawden: Mr. Speaker, my question is directed to the Prime Minister. In view of the statement made in Calgary by the Minister of Energy, Mines and Resources that he was pleased this week that the government of Alberta wanted to base the price of western oil on world prices and not United States prices, will the Prime Minister say whether under the government's new oil policy western Canadian crude prices will continue to rise in eastern Canada by the same amount as crude oil imported from the Middle East and Venezuela?

Right Hon. P. E. Trudeau (Prime Minister): That will depend on further announcements the minister will be making in the near future on the basis of which oil will be priced in Canada.

Mr. Speaker: Orders of the day.

* * *

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, I would like to ask the acting government House leader about the order of business for today and the rest of the legislative items which the government seeks to have enacted or completed in the House before it puts the adjournment motion which appears on the order paper.

Parole Act

Mr. Lang: Mr. Speaker, we propose to proceed this afternoon with the amendments to the Parole Act, which is Bill C-191, followed by item No. 40, the amendments to the Co-operative Credit Associations Act, followed by No. 26, the CNR financing bill. The question of proceeding with additional items of business or completing these tomorrow may depend on the view of the House of the motion now appearing on the notice paper in my name. It is our disposition that the House may well now resume the break which was begun in July, and that the very important items which require attention may be more effectively dealt with by members on and after October 15.

Mr. Baldwin: If I may work my way through that answer I assume that tomorrow the minister will be moving the motion for adjournment standing in his name, provided the three items he mentioned are disposed of today.

Mr. Lang: Mr. Speaker, the question of the motion for adjournment is a subject for discussion. I have indicated that it is our inclination to proceed with it, and as these discussions proceed we will determine for certain the course of action with regard to it.

Mr. Trudeau: It depends on you, in other words.

Mr. Howard: Am I correct in assuming that there is no intention on the part of the government at this stage to bring forward the resumed debate on the second report of the Indian Affairs Committee relating to aboriginal rights?

Mr. Lang: Mr. Speaker, many hon. members are extremely interested in resuming that debate. I believe the House leader has it very much in mind, and will give consideration to the matter on his return.

GOVERNMENT ORDERS

[*English*]

PAROLE ACT

APPOINTMENT OF ADDITIONAL AD HOC MEMBERS TO NATIONAL PAROLE BOARD

Hon. Warren Allmand (Solicitor General) moved that Bill C-191, to amend the Parole Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, on June 1 last I announced a series of measures designed to prevent abuses in our inmate release programs, that is to say, the parole and temporary absences programs, to provide for a better investigation of inmate grievances through the appointment of a correctional investigator or ombudsman, and to improve the working conditions and morale of employees working in penitentiaries. These steps were meant to remedy some of the immediate problems in our federal correctional system.

One of the measures announced was an amendment to the Parole Act to provide for ten additional ad hoc members of the Parole Board. The bill that we have before us seeks to do just that. Both parole and temporary absences have played an increasingly important role in recent years in our efforts to assist inmates to re-integrate in the community as responsible citizens. As I explained on June 1, inmates can be released from penitentiary under the authority of both the Parole Act and the Penitentiary Act. As one might expect, the criteria for selection by the National Parole Board and the Canadian Penitentiary Service for release on parole or temporary absence have not necessarily been the same.

These differences in criteria arise not only because of the different statutes under which they operate, but also because the considerations that apply in assessing an inmate for temporary absence differ from those applicable to parole. This has led to confusion in the public mind. In addition, as I explained previously, certain legal complexities have brought into question the legality of the back-to-back temporary absences, a practice developed by the penitentiary service in recent years whereby inmates are released on successive leaves of absence over an extended period of time, generally for rehabilitation purposes.

Because of these legal difficulties the Canadian Penitentiary Service has now discontinued the practice of providing back-to-back temporary absences for inmates in federal institutions. I might say that those who were on back-to-back temporary absences on June 1 have now been transferred to day parole. At the time of my announcement on June 1, there were approximately 100 inmates on back-to-back temporary absences, and 43 of those have been granted day parole, 16 have been denied day parole, and 15 have been given full parole. Eleven of these were persons serving a life sentence and the Parole Board does not have jurisdiction over them. Fifteen have still to be dealt with. Experience has shown, however, during those years when the practice of back-to-back temporary absences was developed, that the gradual and regular release of inmates as part of their rehabilitation program constituted an excellent device to assist them in their efforts toward re-integration in the community. While the legality of back-to-back temporary absences could be open to some doubt, it was clear that the practice itself should be continued under some other legislative scheme. This, of course, is possible by a greater use of day parole under the Parole Act, with an expanded Parole Board.

● (1510)

As hon. members are aware, the National Parole Board as now constituted has a membership of nine persons. An excess workload in recent years has slowed down case decisions to the point where the chairman was compelled to suspend panel hearings held by members with inmates in the penal institutions. As a result, applications are, and have been for the last few months, considered by the board through an examination of the inmate's file but without the board or inmate having the benefit of a face to face interview. Such a practice, I am sure hon. members will agree, is inadequate both from the point of view of the proper administration of parole board functions and responsibilities and the inmate's interest in having an opportunity to present his case face to face to members of the board.

The provision of ten additional members to the Parole Board will not only allow the board to resume panel hearings in the institutions, but also to deal satisfactorily with the added volume of decisions on day parole applications that will come before the members. As these ten members will deal primarily with day parole and panel hearings in the institutions, it is our intention to assign them in teams of two to the five regions of Canada; that is two in British Columbia, two in the Prairies, two in Ontario, two in Quebec and two in the Atlantic region.

The nine actual members of the National Parole Board have experience in various fields and disciplines relating to criminal justice such as police, social work, law, corrections, as well as the judiciary. It is my hope that we will attract to the board new members from the various disciplines that contribute to the efficient operation of the criminal justice system so as to reinforce the scope of expertise that the Canadian public has the right to expect from an institution such as the National Parole Board.

I would hope, in this respect, that I could make the necessary arrangements with provincial authorities for the appointment of a limited number of judges to the National Parole Board as ad hoc members for a limited period of time, two or three years, for example, at the end of which they would return to their judicial responsibilities in the province. This kind of arrangement would enable highly qualified and respected members of the judiciary to play an important role in the working of the National Parole Board. This would, at the same time, provide the channel for closer liaison with the judiciary as a whole.

A great deal of effort has been made in this direction in recent years by the board, with some relative success. But more must be done. I believe that the objective of closer liaison between the judiciary and the National Parole Board could be further assisted and supported by the appointment of judges to the board who would be expected to return to their judicial functions after their service as a member of the board for a short period of time. I believe that both the judiciary and the National Parole Board could greatly benefit by that kind of arrangement.

These arrangements will have to be made in concert with the provincial authorities concerned. A number of provinces have already been approached on this and the reaction to this idea has been most encouraging. I am confident that should this legislation be adopted, as I certainly hope it will be, arrangements for the appointment of judges to the Parole Board, on the basis I have just described, could be made fairly quickly.

Hon. members know that a large number of inmates in our federal and provincial institutions are native Canadians especially in western Canada where I might say, Mr. Speaker, 25 per cent of the inmates in federal institutions are native Canadians whereas they only form 6 per cent of the general population. It is my hope that I will be able to attract to the board a native Canadian who would be interested in and suitable for that kind of job. I would also like to appoint representatives from other minority groups who would be more representative of our prison popula-

tion and consequently, have a better understanding of their problems.

All of the measures that I announced on June 1 have been implemented except the provision of the ten additional ad hoc members to the Parole Board. Treasury Board has already given approval for additional support staff, parole officers and classification officers who would work in conjunction with those ten new members. I trust that hon. members share my concern for the need to immediately enlarge the membership of the National Parole Board as proposed in this legislation. The passage of this bill will not provide a cure to all the problems that we are facing in the field of corrections. It would, however, provide a response to a pressing need. In particular, it would do a lot to help with the over-crowding problem in our penitentiary system. Last year, for example, the population of the penitentiaries increased by more than 14 per cent which is much higher than the increases in previous years. As a result of that over-population situation we have had more tension, more frustration on the part of inmates and employees, more overtime and so on which has led to escapes and other incidents. We would hope that with additional members the Parole Board would be able to provide a better screening and maybe a quicker screening of applications so that more and better people could be put on parole than in the last year.

For the longer term, as I said previously, more profound changes will be necessary. The report of the task force on the releases of inmates, under the chairmanship of Mr. Justice Hugessen of Montreal, which I made public a few months ago, is receiving detailed consideration. As hon. members appreciate, the report raises a number of important issues that could only be dealt with by substantial changes in our current legislation. Also for the long term, we will have to consider the report of the Senate Committee on Parole and Temporary Absence which should be ready soon. It is also my hope that the report of the Justice and Legal Affairs Committee of this House, which is carrying out an enquiry into our penitentiary system including parole and temporary absence, will be of assistance to us in our search for improvements in the corrections field in the longer run.

One of the key questions with respect to parole, is the distribution of responsibilities between the federal and provincial governments. Generally speaking, the National Parole Board has authority over inmates who have been convicted of offences under the federal criminal laws, whether they are in federal or provincial institutions. Some provinces have, in recent years, expressed the wish that these arrangements be reviewed so that the jurisdiction over federal offenders in provincial institutions could be assumed by provincial parole authorities. This is a question that we propose to discuss at the federal-provincial conference on corrections which will take place late this fall, probably in December.

I am hopeful that these federal-provincial discussions on corrections and especially on parole will allow us to reach some conclusion as to whether the current distribution of responsibilities between the federal and provincial authorities is as efficient as it should be. The conclusion of an agreement on this question would enable us to better come to grips with some of the major issues raised by the Hugessen task force and others, in connection with the release of inmates.

In the meantime, I hope that hon. members will agree with me that this legislative measure which is before them today is one that deserves their support. While the quick passage of the bill will, admittedly, not provide us with a cure-all to all our problems in the corrections field, it will at least help us to cope more effectively with some of the problems relating to the release of inmates.

I also want to say that since the bill has been drafted and tabled in this House the Treasury Board has suggested to me that one of the sections could be amended and I intend to put forward an amendment along certain lines. I am referring to subsection (4)(b) of section 4.1 which deals with the non-salary benefits of those people to be appointed to the board. I have been informed, after the bill was drafted, that this section deals with things that are already dealt with in a Treasury Board directive. Consequently, all these matters are taken care of. In other words, the non-salary compensation to people who are order in council appointments, such as these people would be, is covered already by a Treasury Board directive. So, in committee I will move simply for a deletion of subclause (b) on page 2 of the bill. It does not affect the principle of the bill. It relates to the non-salary compensation of the people who are to be appointed on an ad hoc basis to the board.

● (1520)

Having said that, I once again urge the House to support the bill, which is one that will help us to deal more adequately with the problems of parole in Canada.

Mr. Woolliams: Mr. Speaker, will the minister permit a question. I am putting this question now because there is some feeling on the part of members that this bill should go to committee for study and consideration, as this would save time. My question relates to section 684(3) of the Criminal Code. The minister is well aware of it, because it is a section that was previously dealt with in committee. It reads:

(3) Notwithstanding any other law or authority, a person in respect of whom a sentence of death has been commuted to imprisonment for life or a term of imprisonment or a person upon whom a sentence of imprisonment for life has been imposed as a minimum punishment, shall not be released during his life or such term, as the case may be, without the prior approval of the Governor in Council.

That section, I put it to the minister, has not been repealed. Am I correct?

My second question is this. Is it intended to repeal that section when the bill to abolish capital punishment is brought forward. There is some suggestion that this section may be repealed. Is that correct?

Mr. Allmand: Mr. Speaker, the section referred to by the hon. member is to be dealt with in the bill on capital punishment, which is before the House. It is my understanding, if I recall correctly—and I am not dealing with that bill today—that that section would still apply. If the bill on capital punishment is passed, we would still require cabinet approval for temporary absences with respect to people serving life sentences.

Mr. Woolliams: Just so that there is no misunderstanding, am I to understand that parliament has not repealed that section yet?

Mr. Allmand: It is my understanding that we did not need to repeal it, as it expired automatically at the end of 1972. It expired with the death of the law relating to the temporary ban on capital punishment, which was in effect for five years. When the effect of that law ended at the end of 1972, so did the effect of that section requiring cabinet approval for the absence from prison of those persons serving life imprisonment. Now, cabinet approval is not necessary for these people seeking parole or temporary absence.

Mr. Woolliams: Mr. Speaker, may I ask another question. Recently, a prisoner was released from a Prince Albert penitentiary. He was given a temporary release. This happened during the summer recess. That person was an inmate of the penitentiary and had been found guilty of murdering a young boy. He went out to dinner either with the warden or somebody else and disappeared into thin air. He is believed to be somewhere in Alberta. Has that person now been rearrested, or is he still at large? The minister knows about whom I am talking.

Mr. Allmand: Mr. Speaker, I recall the case referred to by the hon. member. The person in question was released for a temporary absence with escort. He was out with a guard, and escaped from the custody of the guard. To the best of my knowledge he has not yet been recaptured. I might also say that, as that event took place during the summer, cabinet approval was not necessary for the man to go out on temporary absence, because that particular law was no longer in force. However, when the bill before the House passes, cabinet approval will once more be necessary.

Mr. Howard: Mr. Speaker, I wonder if I might pose a question to the minister before the official opposition commences its remarks in this debate. The minister mentioned, when talking about temporary absences on a back-to-back basis, that there were some legal difficulties connected with that matter. I wonder if he can tell us what those legal difficulties were?

Mr. Allmand: Mr. Speaker, section 26 of the Penitentiary Act, which establishes the temporary absences program, says that temporary absences can be granted for three days for medical purposes, rehabilitation purposes or humanitarian purposes. In certain cases, 15-day passes are granted with the approval of the Commissioner of Penitentiaries. Three-day passes are granted by the directors of the institutions.

This law, after it was passed several years ago, was not used to a great extent at the beginning. Its provisions were used mainly for three-day passes. In recent years, as the increased use of temporary passes came about, these passes were granted on a back-to-back basis. A man would leave the institution for three days and come back; the director would immediately give him a new three day pass; the man would go out and come back again in three days. This became almost the equivalent of parole, and so more and more people began to question the legality of this practice.

[Mr. Allmand.]

We studied this question and found that there were grave legal doubts about the propriety of temporary leave passes being granted in this way. So, we ordered this practice to be stopped. Temporary absence passes are still granted for three days for humanitarian, medical and rehabilitation purposes, but we have stopped the back-to-back passes.

As I said, there were about 100 people on those passes throughout Canada and we kept them on passes until they had a chance to be heard by the Parole Board, because most of them were doing very well on those passes. I have given the statistics. I said that of the 100, 43 were put on day parole. We are trying to use day parole, which is the best way of dealing with these back-to-back situations. For instance, a man who is on day parole may leave the institution in the morning, go to school or to work, and come back to the institution at night. All but 15 of those 100 cases have been dealt with. All new cases are now going for hearing before the Parole Board, if there is to be day parole.

The problem is, and this is one reason we wish to appoint ten additional people, that there will be numerous applications for day parole, as such parole is going to replace back-to-back temporary absence. We are suggesting that ten new members of the board be placed throughout Canada in the five different regions, with two in each region. They will be used to renew panel hearings in the institutions, which were regrettably stopped, and to deal with all applications to do with day parole. They will also make recommendations to the board here, in Ottawa, on major parole decisions.

Mr. Howard: Mr. Speaker, may I ask one further question. In his opening statement the minister spoke about legal difficulties. He said it was not so much that there were legal difficulties but that there were doubts in the minds of some as to the legality of this matter. Is it not a fact that the practice of issuing temporary absences on a back-to-back basis was discontinued, not because of any legal doubts, but because of errors which had been made in the granting of these absences?

Mr. Speaker: Order, please. The Chair will allow the minister to reply to the hon. member's question, but I remind hon. members that we are not in committee at this stage. Perhaps we might continue with the debate and allow the hon. member for Calgary North to make his contribution. As I said, the minister may reply to the question asked by the hon. member for Skeena.

Mr. Allmand: No, Mr. Speaker, that was not the reason they were discontinued. Actually, the success rate for the temporary absences program was over 98 per cent; the rate of failure was extremely low. I said that there was doubt about the legality of this because we had received conflicting legal opinions; at one stage some felt that these absences were legal. However, it is like everything else that goes to court. I decided, after looking at the legal opinions that, for my own part, the practice was illegal, so I decided to terminate them. But this was not because there had been too many failures.

Mr. Reg Stackhouse (Scarborough East): Mr. Speaker, as the minister has indicated, Bill C-191 provides for a

larger parole board. There is a need for more board members to fulfil the larger duties which are being assigned to the board. We support the general intent of the bill and are, therefore, prepared to accept it for second reading. However, because of certain questions that we must ask about the bill concerning what good it will accomplish for the parole system of Canada, we want this bill to go through the normal channels of committee discussion and further House debate.

The minister has said that he would like speedy passage of the bill. I remind him that the bill was introduced in the House on June 6. If the government was so anxious for speedy passage in order to implement its provisions, it ought to have brought it before the House for second reading sooner than today. The fact that the government has procrastinated in bringing the bill forward for second reading is no reason to expect the opposition parties to allow this legislation to pass without proper study and scrutiny.

● (1530)

In light of the needs of the parole system in Canada, I suggest the very character of this bill indicates the need for further debate and discussion by the House of Commons. This bill is simply another example of what has been called, with reference to other actions of the government, ad hocery. It is significant that the bill refers to appointing ad hoc members to the board. Ad hoc members will be appointed by an ad hoc government to implement an ad hoc policy.

There is a real need for a much more thorough review of the parole system as it is implemented in Canada today. The minister admitted that. That is the implication in much of what he said in his address this afternoon. He said this bill offers short-term satisfaction to the needs of the parole system and he looks forward to a more long-term re-organization. We would have expected that by now he would have been in a position to present to this House a much more thorough plan for re-organizing the parole system in Canada.

The Hugessen report to which the minister referred was submitted November 30, 1972. The minister has had almost 10 months in which to study it with the aid of his staff. We believe he should now be acting on it to a much greater degree than he seems prepared to do as indicated by the terms of Bill C-191. I regret very much that in his address this afternoon, the minister did not give us any exposition on the Hugessen report. When he tabled it in the House, he gave no exposition of its message. He has not indicated his thinking on the recommendations of this report.

We are now asked to take a serious and considerable step in re-organizing parole in that we would appoint 10 more members without having an adequate debate on the recommendations of the Hugessen report on the release of inmates from Canadian penal institutions. A great deal of that report was devoted to the parole system. This is certainly another example of the government's ad hocery.

In a press announcement by the parole board only this week, the public was informed that we now have in Canada a new kind of parole called temporary parole. This is a means by which the parole board is granting temporary release to inmates who previously might have received temporary absence on a back-to-back basis. It is interesting to note the minister said today that the legality of the system of back-to-back temporary absence, which his government upheld and practiced for several years, is in doubt. I suggest there is reason to believe that temporary paroles, certainly in terminology, have no real status in Canadian law. We recognize that, under the provisions of the legislation the parole board is entitled to provide day paroles, there is no reference to temporary paroles.

When the committee studies the bill, it will be necessary to ask some serious questions of the minister and the parole board authorities to see to what extent temporary parole has not only a pragmatic justification, but legal status as well. I am informed that "temporary parole" is simply a term which the parole board has seized upon as a way of describing, for its own information and organization the kind of leaves which the parole board is now granting to inmates, which I suggest are really not very different from the temporary absences which the penitentiary service was granting just a few months ago.

We have had a change of terminology and a change of jurisdiction, but not a very fundamental change in practice. The old temporary absence on a back-to-basis is gone, but the new temporary parole may not be very different. This is an example of the ad hoc approach which the government is taking on the subject of parole, as it has on so many issues. When confronted by major and complex problems, instead of attempting to solve them with adequate re-organization and imaginitive solutions, the government tries to do a patch up job in some way that will get it through another year in office.

Is this really the method we want to follow in attempting the re-organization of the parole service which the Hugessen report recommends? I had hoped this House could have had before it something which would represent a greater effort at improving the efficiency of the parole board as it is now constituted.

According to the Hugessen report, the present board suffers from excessive centralization. In place of the board, the Hugessen report recommends a two-tier system of organization. In a sense, the present bill, accompanied by the announcement of the minister, makes some gesture towards that in so far as the 10 ad hoc members are to be distributed according to regional locations. However, the proposal of the Hugessen report is much more thorough than what is suggested in Bill C-191. For example, the report calls for the formation of local parole boards to serve each institution or group of institutions. Each local board would have three members, one representing the penal institution, one representing the community and one representing the parole service. In that respect, the local board would be comparable to the British system which provides for local review committees to function in addition to the 33 members of the national parole board in Britain.

On the basis of the Hugessen report, and on the basis of the time the department has had to study this matter, there could have been a greater effort made to see what the experience of the British has been. If that experience were positive, recommendations along that line could have been made to this House of Commons. If it were negative,

we could have been given some reason why the Hugessen recommendation was not being adopted.

The report also recommended the appointment of five regional boards of a much greater strength and significance than the one proposed in Bill C-191. Bill C-191 simply proposes that we add 10 ad hoc members to the National Parole Board. These are to be distributed among five regions. However, the Hugessen report states we should have five regional boards, each with eight members. The members would reflect the following backgrounds; one would be an informed and interested citizen, one would be a judge, one would be a senior police officer, one would be a psychiatrist or a psychologist, one would be a criminologist or sociologist, one would be a person with responsibility for programs in correctional institutions and one would be a person with responsibility for the supervision of offenders in a community. What we find, instead, is a diluted, pallid, anaemic, shadowy substitution for this strong and effective recommendation. Had the minister been prepared to show sufficient confidence and imagination I would have expected a recommendation to the House along those lines, or, if not, I would at least have expected an explanation of the decision he appears to have made.

● (1540)

The Hugessen report went on to recommend that provincial boards should continue where desired; second, that a national commissioner for parole be appointed to coordinate local and provincial boards, and, last, that a national parole institute be formed for the purpose of gathering information upon the basis of which the various parole agencies could act. The need for such an institution cannot be overlooked. Before we can hope to deal adequately with the subject of parole, certain fundamental questions need to be answered with respect to the facilities now available to the board.

The report called, as well, for certain other major changes including the abolition of the program providing for temporary absences without escort. The regulations of June 1, positive though many of them were, do not meet the requirements which should have been met in order to ensure the adequate reform of the system. For one thing, the decision to discontinue temporary back-to-back absences does not involve any change in the statute law. A penitentiary can still operate the old system upon which the department has acted in the past and to which the minister could at any time return; the change is dependent simply upon ministerial decision. Penitentiary authorities can still grant three-day leaves of absence should they wish to do so, so it is still possible for another Geoffroy incident to occur. We are continuing what the Hugessen report calls the inefficient duplication of operations of the penitentiary service and the national parole service. Thus, there is a need for a much more fundamental reform of the present parole system and we should take the necessary steps to bring this about in the light of the well thought out and well researched recommendations contained in the Hugessen report.

In spite of certain indications that the thinking of the minister differs from that of his predecessor, we are not satisfied that the parole service, along with branches of the penitentiary service, is adequately responding to the challenge implied in that statement in the report which draws attention to the need for much more effective liaison between the parole board and the various police agencies:

> The protection of society against illegal behaviour by parolees might be improved by strengthening the surveillance and control aspects of the parole process.

There needs to be much closer integration of the parole board program with the whole of the police process throughout the country. I wish to refer to this aspect in some detail because I put it to you, Mr. Speaker, that to a large degree the present system is failing in this respect. In practice, it is failing to provide adequate protection for the public.

It is true that officials often say they are taking all the steps necessary to ensure the protection of society but one must recognize the seriousness of the judgment—and again I quote from the Hugessen report—that "few of their activities are really directed toward this objective." What is the basis of this judgment? I believe it is accepted by responsible people across the country that parole is good in principle. Indeed, I am convinced that every party represented in this House and every section of our society supports the principle of parole and would support a healthy, positive parole program. What concerns us is the way in which the parole system has been so mismanaged that its benefits have been granted to people who could not and would not use them as intended but who, instead, regarded parole as a means of continuing their actions against society.

Just a few years ago, one citizen in British Columbia, Judge A. L. Bewley put together a collection of case histories of 62 persons with extensive criminal records who had been granted parole and who had committed serious offences while on parole. One such person had a record of breaking and entering, robbery with violence, kidnapping and escaping custody. He was sentenced to 7 years imprisonment in 1968 and released on parole in 1970. In 1971 he was re-arrested for robbery. He escaped jail and shot the RCMP constable who was attempting to arrest him.

A second offender was sentenced to four years and six months for attempted murder. He was granted parole in 1970 and was re-arrested for a second attempted murder. There is a third case of a man who had a record of armed robbery and forcible confinement of a person. He was granted parole in 1970, and while he was on parole police reported him on 22 occasions as being seen in the company of known criminals. Those reports were sent to the National Parole Board but the offender's parole was not cancelled.

A fourth case concerns an offender sentenced to life imprisonment as an habitual offender in 1965, although 22 convictions were recorded against him, including armed robbery. His parole was suspended after one month but renewed in 1968. In 1969 he was arrested and convicted of robbery and false pretenses.

In the fifth case I wish to draw to your attention, Mr. Speaker, the offender had been convicted of 105 offences between 1945 and 1962. In the latter year he was sentenced to a ten-year term. Between 1968 and 1971 he was granted parole on three occasions. Three months after being given

parole in 1971 he was arrested on 41 charges of false pretenses and forgery committed while he was out on conditional liberty.

These are some of the cases from the west coast to which attention has been drawn. Let us turn, now, to an article which appeared in *Weekend Magazine* on November 25, 1972. We read that between 1963 and 1971 Dwight Allan Swanson was sentenced to 11 prison terms in respect of charges ranging from car theft and possession of stolen property to robbery and breaking and entering. During this period he was paroled not once but five times and on each occasion he committed one or more offences while on parole. His last conviction, on November 24, 1971, was for indecent assault of a female. I think it is evident that about one third the number of people released on parole commit crimes again. Because of that we must ask very searching questions about the way in which the parole service is being administered in this country. We are not persuaded that parole is being granted always to those who will act with the proper intent. Very often parole is utilized by those who see it as another opportunity to be released from jail and return to crime.

● (1550)

We do not suggest for a moment that the solution to this is simply a reduction in the number of paroles granted. This may be the thinking of the minister and of the parole board, because there seems to be a certain satisfaction taken in the way in which the statistics indicate it is now more difficult to obtain parole than previously. We are not impressed by that kind of statistical justification. We are not saying that fewer people should obtain parole, but we are saying that there must be a much more thorough search of applications for parole and that we should take much more serious steps to help avoid the kind of mistake the parole board has made during the past several years.

We feel we can support Bill C-191 to the extent that it involves the appointment of additional parole board members, even on that ad hoc basis, to serve that end. We welcome the appointment of additional parole officers to make the system more effective, but we are not convinced, until there has been further study, debate and discussion of the various aspects of this complex question, that the parole board itself will carry out its duties in such a way that we will avoid the kind of thing from which Canada has suffered during the last decade. There is simply no justification for the fact that a person, having committed a crime, having been sentenced to prison and having been given parole, is able to go out and commit another crime, then come back and receive a second, a third or even a fourth parole. Very often that person is one who, by his record, has shown that he is dangerous to society.

We, therefore, believe the parole board must reorganize its work and its thinking so that we may be satisfied that parole will be used for the purpose for which it was intended. We must ask questions, for example, about the effectiveness of the board's surveillance and whether the parole officers acting in the name of the board are competent to carry out their duties. I have already referred to the way in which one person on parole could be seen 22 times in the company of known criminals, and that when this was reported to the parole board nothing was done about it. Those reports were sent in, not by the parole officers but by the local police. Too often it is the case that this kind of information is provided, not by those whom one would expect would obtain the information first, but by the police who do not have a primary duty for the supervision of parolees.

One reason for this situation is that the parole supervisors have had too many parolees under their supervision. The police chiefs, in appearing before the Senate committee dealing with parole, said that the bulk of parole violations are only brought to light as the result of police investigations into other incidents. They go on to say that the number of violations which the police report are only a small percentage of the actual number of violations. We, therefore, must ask ourselves some very serious questions about the efficiency of the surveillance program. We must satisfy ourselves as a parliament that the proposals the minister is making in this legislation are adequate, because if the kind of surveillance which is being carried on is not adequate to provide supervision of those who are potentially dangerous, further recommendations must be made.

It is simply inexcusable that we should go on in this ad hoc fashion at a time when we have seen the growth of crimes of violence cause the average citizen to pause and wonder what steps are needed for his own protection. I would point out in this connection that I should like to see much more attention directed toward the value of half-way houses or after-care hostels. It seems to me we ought to be ready to take a much more positive step in this direction than the minister so far has encouraged us to think the government is prepared to take. In dealing adequately with the problem of surveillance of parolees or the transition of an inmate from jail to life we need half-way houses. In this regard we whould study the experience other jurisdictions have had.

For instance, in the 1969 report of the British Parole Board, we see the following statement:

> In a number of cases it has only been possible to recommend parole because an 'After-care Hostel' or 'Half-way House' has been prepared to accept the prisoner at the time of his release.

It seems to me that until we are prepared to couple an adequate supervision program in terms of a sufficient staff with an adequate program of after-care or half-way house facilities, we will not even begin to think seriously about meeting the needs of the parolees and of society. If we really mean what we claim to mean when we speak about parole and the value it has to inmates and to society, surely we must be prepared for whatever is involved in setting up an adequate half-way house system across this country. The few hostels that are now available are largely maintained by voluntary agencies which depend for much of their financing on contributions. These agencies simply cannot adequately meet the challenge of the times. So, I would hope the kind of discussion we have in committee, and the kind of future debate we have in this House, would prompt the government to re-think its present program, its lack of initiative and action in this respect.

There are other changes we need to consider very carefully along with those to which I have referred. One change we need to consider involves the whole question of whether the parole board should have the right to act, as someone suggested, as kind of a substitute judge, because

very often it seems the parole board is now, according to the law, in the position of a sentencing judge. In effect, it is in a position to rewrite the sentence the judge has imposed on the convicted criminal on the basis of the trial and on the basis of the evidence he has heard. I think there is something to be said, therefore, for the recommendation by the Canadian Bar Association that the provincial attorneys general should have the right to appeal decisions of the parole board. This would mean that the head of the law enforcement agencies and the law enforcement system in the province would have some say if it were thought that a sentence had not been carried out adequately or that the risk of further parole violation was too great. I would add that the Canadian Bar Association also recognizes the rights of the inmate in recommending that an inmate should equally have the right of appeal.

● (1600)

Just dealing for the moment with the way in which very often the parole board, it seems to me, has offered itself as a substitute for the sentencing judge, and dealing with the proposal of the Canadian Bar Association, I would suggest that if we had that kind of a system or something comparable we might have avoided the tragic mistake made when the five kidnappers of Mary Nelles were released on parole. Shortly after they began their prison sentences for this serious crime, two were released after serving only 20 months of 10-year terms, and three were released after serving 24 and 26 months of 12-year terms for the serious and major crime of kidnapping, a crime that might well have resulted in a much greater tragedy than it did.

This was a scandal and a shock to every citizen who takes law and law enforcement seriously. When representatives of the parole board tried to justify that decision by rationalizing that these criminals really had not intended to commit a crime but to carry out some kind of a practical joke, the real joke seemed to be the law, and every serious law-abiding citizen of this country wondered if the law in Canada, where it has so long been respected, was now a laughing stock.

Another suggestion for dealing with this problem is to give the sentencing judge the authority to impose a minimum term before which parole could not be granted. An editorial in the *Criminal Law Quarterly*, February 1973, supports this recommendation. It reads:

> The post sentence process appears to take on all the aspects of a device to defeat the original judicial determination.

One solution according to this Law Quarterly is to give the sentencing judge "the power to impose a minimum term before the expiration of which an inmate shall not be released on parole". That is the practice already in two states in Australia, New South Wales and Victoria. The experience there should be adequate for the minister to indicate to us why he has not undertaken some reform along such lines, and why the government is not taking the action it should. If the experience of other jurisdictions indicates the proposal to which I have referred would not be effective, I think the minister should suggest something better, and certainly something better than we have had in Canada for the past several years.

The parole board very often justifies its program on the basis of the saving of taxpayers' money. Apparently the

cost of keeping an inmate in a penal institution is so high, and the cost of parole is so low it makes sense to parole very large numbers of inmates. I hope this kind of rationalization can quickly be dispensed with, because surely we are not going to offer this reasoning as some kind of justification for granting paroles to the kinds of prisoners to whom I have referred in citing these case studies. I refer to the kind of parolee who can go out and burgle, swingle, steal, attack and even murder.

What value do we put on that kind of crime when we say we are saving the taxpayers' money by granting parole? What value do we put on the suffering and loss endured by the citizens who are the victims of these men, and what value do we put on the life of a person like the late George Edward Oliver whose throat was slit by a parolee who had a record of crime and past paroles, who was nonetheless given a further parole during which he committed this vile, brutal murder in the city of Vancouver? He was sentenced first in 1969, and paroled the next year. His parole was revoked in 1971 and a second parole was issued the same year. Before the year was out he had committed murder.

We have to see that there is a very great cost to the Canadian people when parole is given to those who cannot use it properly. We have a very grave responsibility as a parliament, along with the grave responsibility borne by the minister, and we are using this debate to draw these responsibilities to the attention of parliament and the public. We hope that further discussion in the committee and further debate in this House will explore this dimension of the problem much more searchingly. We are prepared to pass this bill on second reading, but we are not prepared to be the kind of uncritical audience the minister might have welcomed. We are simply not giving him the speedy and unquestioned passage he has suggested, and we do not do so because too often in the past those who have acted in his name have not acted in the best interest of the people of this country. So we are asking for a much more searching examination of the effectiveness of the National Parole Board and the need for its effective reorganization in the best interests of society.

I should like to say something as well about the need for forming a national parole institute as recommended by the Hugesson Report, to do effective research into how the parole system is working, and to provide informed answers to difficult questions. This bill makes no provision for expanding the research facilities of the National Parole Board. It should be clear to everyone who is engaged in parole work that this is one of the fundamental needs of a reorganized and reformed board. For example, I put a written question to the minister in which I asked how many of those who had applied for parole and received it had received parole before; once, twice, three times or four times. That is the way of finding out the extent to which parole is being made a kind of career by the career criminal. I was told it would take too long to search the records of the parole board to find an answer to that question.

In discussing that kind of thing with those active in the field of parole, I have found that they know the answer but there is just no one on the staff of the National Parole Board doing that kind of elementary, necessary and essen-

tial research. If we are ever to have the kind of parole system in which we can have serious confidence we will have to expand the research facilities. If we did that we could certainly draw upon the experience of parole systems in other jurisdictions where, for example, in Great Britain the parole section of the Home Office has its own research unit and publishes the parole section of the annual report of the National Council of Crime and Delinquency. In the United States they have a National Council of Crime and Delinquency with its own research centre providing adequate information for the guidance of parole boards and parole officers in that country. I would suggest further that any attempt to reform the administration of parole in this country which does not provide for extended research facilities and staff would not begin to meet the need.

Finally, I should like to suggest that we should be doing something serious about the need for giving greater recognition to the rights of the inmates themselves. We should recognize that the due process of law should apply to all aspects of confinement in the penal institution, and when an inmate applies for parole he should not only have the right to state his case and the right to a definite decision but he should have the right to an explanation as to why his application for parole has been rejected. Admittedly, there is an argument for the present policy of the board, according to which a reason is not always given. I can recognize that giving a reason or an explanation to some inmates might cause them great distress, and I take that kind of argument very seriously. However, I would point out to the House and to the minister the opinion of a Canadian authority on this subject, Dr. Evelyn Shea of Ottawa, who, in a study called "The Future of Parole" says:

● (1610)

We believe however that the detrimental effects of withholding an explanation will, in the great majority of cases, be worse than the distress caused by knowing the reasons.

I maintain that to give an explanation would surely increase the trust that inmates might have in the penal system and in paroles.

As well, we should give consideration to inmates having a chance to appeal the decision, giving them the same rights that we would give attorneys general or other law agents who would be dissatisfied with the thinking of the board. The Hugessen report says that it has four objectives for the reorganization of the parole system in Canada. These four objectives are: one, the decentralizing of the board; two, integration of the parole system with the criminal justice continuum; three, an interlinked information system; and four, due process of law.

I think it should be clear to us all that the bill before us is inadequate on each of those counts, that it takes but one, small faltering step toward the first objective. But in terms of really reorganizing the board so that it would be adequately decentralized and most efficient in carrying out its mandate, this bill simply does not meet the need. We need further time to ask ourselves if the government should not be recommending to parliament a much more extensive reorganization than it has. Certainly, we have not had any suggestion that the minister intends a further integration of the parole system with what the Hugessen report calls the criminal justice continuum to safeguard society against inadequate surveillance so that there can be an avoidance of the tragic misuse of parole, evidence of which I have submitted. Certainly, we have no promise of a more effective research program and an interlinked information system, and as yet we have no suggestion that the due process of law, on behalf of the society or on behalf of the inmates, would be more greatly honoured.

This is a weak, hesitant step that the government is asking parliament to take, not because the minister has not had adequate information presented to him by most well informed sources, such as the Hugessen task force and the Senate committee as well as the experience of other jurisdictions, and not because the minister has not had adequate time to deal with the information that surely is available to him. Therefore, we say to the House and to you, Mr. Speaker, that while we are prepared to support this bill for second reading we are not prepared to go further than that today. In fact, as I look at this bill and think of the minister's exposition in support of it, I am reminded of what a father of a bride said at a wedding which I recently attended. As he looked at the groom, he said: "well, he is better than nothing". I think that is the best we can say for this bill—it is better than nothing. We know that the National Parole Board needs more members, and we know that it needs the distribution of those members across the country. We know that there was a need to abandon the back-to-back temporary absense system. We welcome all these steps, but there is so much more to be done that we are not prepared simply to give an uncritical acceptance to that which is so obviously inadequate.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, the bill we have before us is a very short one and really says very little. I am inclined to agree with the hon. member for Scarborough East (Mr. Stackhouse) who said that it travelled a very small distance toward any real change in the method of dealing with this subject. The bill contains a short explanatory note which reads:

The purpose of this bill is to effect the appointment of additional ad hoc members to the National Parole Board.

I can understand why the minister provides a short explanation. It is because whenever the minister has provided a long explanation in the House he has brought upon himself a certain amount of difficulty. But again, he has a difficult portfolio. His position is one with which members from both sides of the House have sympathy because any penal system which is 100 per cent secure and 100 per cent successful does not exist. We in Canada do not have the worst penal system in the world.

However, the purpose of this bill is to put into effect the suggestions the minister made in his statement on June 1, when he outlined certain changes that were being made to our parole and temporary absence system. Certainly, one of these changes that we in this corner of the House welcomed very much was the appointment of Miss Inger Hansen as a kind of ombudsman for the penitentiary service. This change was long overdue and we are very happy with the quality of that appointment. Nevertheless, the statement itself contained a rather inadequate approach to a big problem. I should like to quote the minister:

These are recommendations that are calculated to deal with some federal correctional problems on a short-term basis in the field of penitentiary services, temporary absences and parole. For the long term, more profound changes may be necessary.

We are all waiting very patiently for those more profound changes. We can certainly say "Amen" to the remarks of the minister of June 1. It is not as though there have not been enough reports, enough research and enough information available to the minister to allow him to come up with a coherent, co-ordinated approach. What we have before us is a patchwork approach to the problems of penal reform, one unfortunately which is predicated on whatever the public mood may be at the moment. That is a very difficult part of the minister's job, but I submit the minister should not react to every incident that occurs within the country, because one swallow does not make a summer.

The change that was made on June 1 to increase the mandatory part of a life sentence to 7 years rather than 4, was a response to the public mood. I suggest it was an irrational response in this sense. It is not the length of mandatory sentence that counts, it is the screening process that counts. No one is rehabilitated within prison. It all depends on the way we choose people who are eligible for parole. Whether they spend three, seven or ten years in jail may not be that significant. What is significant is the manner in which we make our choice. We must base that choice on the penology approach and not the political approach. My criticism of the minister has been, and is, that he is using a political approach in attempting to solve this problem.

● (1620)

We need more than a patchwork attempt to put this subject into proper perspective. The purpose of this bill and the statement made on June 1 with respect to rationalizing the temporary absence program with the day parole program sound logical, although I must say I am not that impressed with the Hugessen report to which the hon. member for Scarborough East kept referring. The effect of the recommendations in that report would be to eliminate temporary absence, other than for humanitarian or medical reasons. The rehabilitation ground would be removed from the temporary absence program operated under the Penitentiary Act. I do not think that is a step forward.

I welcome the approach taken by this bill to regionalize and localize these decisions, but I am not so sure that the qualification officer, the people within an institution and the people around the community in which it is situated, are better qualified in terms of the screening process to determine which of the inmates in the institution can benefit from parole, and to know whether the public would be protected on their release.

One of the things that has been lacking in the program to date has been the intimate contact that is necessary in order to make the screening process more effective. The hardest person of all to "con" is the convict inside the prison. Yet how much consultation is taking place with inmates of prisons to determine which of their numbers is safe to release? There is almost none. How much consultation is taking place with the prison staff, with the cooks and the guards who have intimate contact with these men all the time? There is still too much of an elitist approach in terms of dealing with the screening and making the decisions. Based on my experience, you can trust a great many of the persons in institutions to give you a fair and honest assessment of their peer group within those institutions. As I say, Mr. Speaker, we have fallen down in terms of that consultative process.

[Mr. Leggatt.]

We also find that the people who are making decisions on parole are incompetent, or are capable of being "conned" by the inmate who has all the time in the world to prepare himself for an interview, to put on his best front, and as long as that continues to be the case we will have these dramatic errors. I say that these dramatic errors are eroding public confidence in the system that we have at present.

There are three basic myths under which the parole system operates. The first is that people are rehabilitated while they are in prison. All the evidence and statistics show that this is demonstrably false. Rehabilitation takes place outside jail. It takes place within the community, not within jail. Our prisons are for custody, for the protection of the public from people who have a tendency to repeat their crimes. However, that does not mean that the inmates should not be treated decently and humanely. The mark of a civilized society is the way in which it treats the inmates of its prisons. It is still vital and important that the public knows it is protected from escapes from institutions. That is why we in this corner of the chamber supported the establishment of the subcommittee of the Justice Committee to look into this and other aspects of the prison system.

The second myth under which the system operates is that the solution to the crime rate is to change the parole rules and make them tougher. Mr. Speaker, that is not related to the crime rate at all. Each time a spectacular crime occurs the reaction is sudden. We all favour changing the parole rules. But when there is a lack of crime news, we are liable to look in the other direction. You cannot run the system like a lottery that reacts to every public outcry. I am not saying that either six, seven or five years is the correct mandatory term before parole. I am saying that parole decisions have to be based on a very careful screening process. As long as we think that the longer a guy is held in prison the more likely he is to learn his lesson, then really the more likely we are to continue to make mistakes. It does not bring anybody closer to rehabilitation to isolate him from the public.

It is difficult to identify those to whom we can issue parole. As I said before, there is insufficient consultation with two of the most important groups in the prison, namely, the prisoners themselves and the prison guards. As long as we continue the elitist approach, the psychological approach, the psychiatric approach if you like, we will make the kind of errors that we do make. Take the classic case of the Tanya Bush murder which has been referred to in this House many times. If proper consultation had taken place I do not think Gary Head would have been released. If the prisoners and the guards had been canvassed, I do not think that horrible error would have occurred. As long as errors of that magnitude occur there will be no confidence in our rehabilitation system. It

cannot be perfect if there is that kind of glaring stupidity which brings the whole system into disrepute.

The third myth is that all prisoners are capable of rehabilitation. That is demonstrably false. There is an element of psychopathic behavior amongst the inmates of our institutions. Those of us who have practised law, and in particular criminal law, know of it. There are people who have no conscience, who have no feeling of remorse for anything they do, and have no capability to restrict their criminal activity. They make up 10 per cent to 20 per cent of our prison population. It is time we did something to examine that element, to learn why these people behave the way they do, and to find out if there is anything we can do about it.

One of the experts in this field is a man from British Columbia, Dr. Hare. He has written an internationally accepted text on the subject, "Psychopathy: Theory and Research." He worked in our institutions in B.C. for some ten years. Here is what he has to say, as reported in the Vancouver *Province* of February 17 last:

"The fact is, the penitentiary service doesn't really have a rational, integrated treatment program. Many of their rehabilitation programs are poorly organized, makeshift and frequently faddish," he said. "They have the experts but not the expertise to deal with criminals, particularly psychopathic ones."

● (1630)

Hare and his research associates are attempting to develop a model experimental program for the modification of psychopathic behaviour. It would involve a combination of behaviour, drug, and milieu therapy carried out over a period of several years.

He says its unlikely to be carried out. A year ago he contacted the Solicitor General's office about funds and was later visited by a member of his staff. Since then he has heard nothing and assumes they are not interested.

I know the minister's answer is that there are psychiatric opportunities set up but this is a new and interesting departure. This is a specialist in the psychology of psychopaths. This is the kind of new approach that needs to be taken in penology but it is not being taken because we are stuck with traditional attitudes. We can afford to spend money on Montreal bikers apparently making wooden ducks, or homosexual handbooks published in Vancouver, so we can surely afford money for intensive scientific research into the workings of the brains of people who are deeply troubled by psychopathic behaviour.

The other area that is not being followed up is the early identification of this kind of behaviour within the public school system. I am, not saying that they need to be typed or segregated, but most people who are knowledgeable in this field tell us that there are certain personality traits in young children which can identify, once they get into the elementary school system, probable future psychopaths. The problem will not go away if the harsh reality of it is ignored, but we are not doing anything in that area of research and the bill offers no new departures in terms of penology.

As I indicated before, there is no program by any government that is going to work toward public confidence. If there are any more cases Garry Head or those mentioned by the hon. member for Scarborough East, we are going to go back into the dark ages of penal reform. I urge the minister to be cautious of the manner in which these things are issued. The screening process is important. More money must be provided for research before any progress can be made in this field. I can understand the appointment of more members to the Parole Board and I can appreciate the fact that is should be regionalized. It is clear that decisions were being made too far away from the persons concerned. However, this bill is really innocuous and goes no distance toward the co-ordinated thrust that has to be made into this problem.

Mr. Speaker, I am disappointed that there is not more public confidence in rehabilitation, but in a way I can understand and sympathize with the approach of the newspapers. They display an element of sensationalism and seem to be hypnotized by every event but this can be understood in the light of the glaring errors like those in the Head case and the fellow who ran off with his LIP grant. These cases certainly undermine public confidence.

By his remarks, the hon. member for Scarborough East seemed to favour cutting down on parole. That is a simplistic approach, Mr. Speaker, and I do not agree with it. We can still be progressive while being practical and realistic. We know that there is a percentage of those people within our institutions who when released, because of their psychopathic behaviour and psychopathic nature, will again commit crimes so we should realize that an effort should be made to identify those people early in life. We have to spend money on research and perhaps we have to modify their behaviour. It seems to me that until we tackle that problem, we are not getting to the guts of the penal system.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, Bill C-191 now before the House aims at amending the Parole Act. This bill amounts to a very simple thing, to increase the number of National Parole Board members in order to expedite the work, thus increasing its efficiency, according to the minister.

Mr. Speaker, it is obvious that a clear-headed person cannot object to the principle of parole. The fact that planes crash once in a while is no reason to abolish aviation and it is not because some criminals benefitted from Parole Act lenience by relapsing into Crime that we should abolish the Parole Act.

This being said, as a basic principle, it nevertheless remains that day after day we realize, thanks to the statistics supplied to the Committee on Justice and Legal Affairs and also by the newspapers even on other subjects, that the Parole Act is perhaps not what we need to meet current needs.

● (1640)

Certainly, in order to solve the problem of crime in Canada, which is becoming a major problem, we need more than just a parole act. This must be tied to the social causes which create crime, which make criminals, including the family environment. Indeed, the social environment, often full of injustices, incites people to commit burglary or assault and robbery, and these individuals finally find themselves before a criminal court to be condemned. In many cases, and rightly so, it is society itself

which ought to be condemned rather than these individuals.

Let us also talk about organized crime. People choose crime as a profession, earn their living through crime. They have reached such a point of organization, Mr. Speaker, that newspapers are filled with articles telling about shocking things, especially in Quebec; scandal rises right and left which results in people becoming often sceptical about the due process of law and saying that there are two kinds of justice.

Moreover, in many respects justice is not the same for everybody. The bail system, for instance, is such that the rich, those who have money, obtain a kind of justice, while the poor, the man who has no money, the worker, the labourer, the family man whose sole income is the fruit of his toil over 40 or 50 hours of work, obtains a different kind of justice. Mr. Speaker, that such a system in some areas of our country still exist is revolting.

Let us consider also the system, the administration of penal institutions. We have reached the point—and the Committee on Justice and Legal Affairs is in a position to testify of this—where prisons in some areas have been turned into schools of crime. They indiscriminately put in the same bag people who have been sentenced for robbery, rape, murder, attempted murder, etc, and when prisoners are set free, they know a lot more about crime than when they were imprisoned in the first place.

It is unfortunate that millions of dollars are spent for penal institutions which do not always succeed in stopping crime. It is often found that they have become schools for criminals.

Under those circumstances, and to complete this gloomy but realistic picture, there is also the courts and what is called the judiciary administration which is often rotten. In fact, some judges are political creatures and render sentences based on half evidence. I could give many examples. But as I do not intend to have this debate dragging on I will dispense from giving them. But it remains that, hopefully, all my colleagues are aware that today's courts are not a good example for our youth.

With the parole system the members of the Parole Board are often in a position to reverse a court decision. For instance, a convict sentenced to life imprisonment or to 25 to 30 years may apply for parole under the law and the Parole Board is allowed to reverse the judge's decision. This is the reason for most critics against the Parole Act.

Many of our fellow citizens witness murders; then they learn that the accused, after lengthy procedures, has been condemned and they heave a sign of relief telling themselves that justice has been done. But what do they hear a few months later? That the criminal has been set free.

Several examples could be given. I shall mention only one, which concerns my area. A few years ago, a crime was committed at Victoriaville, a burglary. When the burglars came out, the policemen called to the scene tried to protect the owner's property. The bandits, armed with machine guns, had no hesitation in firing point-blank at the police officers. They wanted a shoot-out and, needless to say, their machine guns were not loaded with dummy shells.

When the bandits had planned this crime, they had foreseen that they might be forced to kill, and with those arms, they were ready to do so. In any case, officer Collard was wounded and was unable to walk for eight months.

This bandit was captured, judged after many delays and sentenced to jail. He then applied for parole and, for the purposes of rehabilitation, the board granted his request. It is not because one plane crashes that we should stop all air transportation. In the same way, it is not because of one recidivist that the parole system should be abolished. In itself, the principle is excellent, it is its application which is not so good.

What happened was that the board agreed to grant parole to that gangster who lost no time in going to Sainte-Thérèse-de-Blainville and killing another policeman.

Mr. Speaker, as a police officer had been seriously wounded and another, a father of a family, murdered, the board should have realized that gangster was not likely to rehabilitate.

Even though we believe in the principle of parole for the reason that it may be possible that a human being could be rehabilitated in a normal society and comply with its laws, the Solicitor General (Mr. Allmand) should reconsider his position on the administration of the law and here is the reason.

All hon. members will recall that, two years ago I believe, Parliament discussed a bill on juvenile delinquents. Bill C-192 raised protests from a lot of the people involved.

It happens that the problem of juvenile delinquents can be summed up in one fact: If he has committed a crime, in 80 per cent of the cases, according to the evidence of the witnesses before the committee, it is because the family environment he spent his youth in did not exist, the parents not being there, or was "rotten". Mr. Speaker, the result is that this young boy or girl enters naturally, against his or her will, the path of crime. Then he is picked up, as people will say, appears before a welfare court and is judged. Then, he is placed in a kind of training institution, with all kinds of young criminals.

These young people have no right to parole, under the laws governing them. However, these are young people who could rehabilitate themselves, much more than hardened criminals who have repeated 8, 10 or 15 times.

This is the exact criticism I want to make about the Parole Act under which, in many cases, hardened criminals are released, while juvenile delinquents remain in jail. If the minister's arguments as regards rehabilitation are valid, if his faith in rehabilitation is reasoned and justified in the case of certain criminals, I do not see why this benefit of parole could not be applied even more to young people.

Mr. Speaker—and I ask the minister to give us these figures—how many probation officers are there for young offenders? How many young offenders, when they are released, benefit from the assistance of a probation officer to re-establish themselves in society? The young person who had no family, no friend, no one to guide him in life, who had no serious mother or father, goes back to free society with the same means when released. The same causes will involve the same effects. Whenever he is hungry, whenever he is tempted by what is displayed in

store windows, he will commit another offence and this is how he will relapse into crime. How many probation officers are there? What are their qualifications? What are the qualifications of those who work in the court of Montreal?

In my opinion, Mr. Speaker, in a rehabilitation and crime prevention system, we should above all put all our efforts, all our attention, all our energy in crime prevention and this, from the very first years.

Do we do anything to detect crime at the school level? How many probation officers are acting, are able to act and really follow a young offender? Mr. Speaker, I am inclined to believe that it is practically nothing. He is simply released and, as I said earlier, he relapses into crime; finally, he grows older, and instead of being judged by a welfare court, he goes to criminal court under criminal law. It is at that point, Mr. Speaker, that he becomes a professional in his trade. He is put with other criminals more hardened than him, older than him, in rotten prisons, the best crime schools.

Mr. Speaker, for one—and I think my colleagues share this view—I believe in rehabilitation and, above all, in crime prevention. If one looks at crime statistics in Canada one finds that the crime index is on the rise. When, for example, a youth is found in possession of narcotics he immediately winds up with a criminal record; he is immediately catalogued. What does this same system that condemns that youth, do about the pusher? Is the youth guilty or is it the one who gave him the drug?

Mr. Speaker, this youth caught using drugs—influenced by those older than him—has a criminal record. He is sent to jail or released on bail if his father has the means to pay, and as I said earlier not everybody has the means. Thus he becomes a criminal. This youth will rot in a prison because he does not have the necessary contacts or possibility to get out, because our system of rehabilitation and prevention is clearly inadequate; that is how he becomes a hardened criminal.

Mr. Speaker, I feel that the minister should issue new directives, and maybe even recall the new Parole Act, not the one that simply provides for increased membership on the board but that which sets out the duties of that board so that Parliament can instruct it to review the scope of that act so it will apply first and above all to those who are really rehabilitable, who are better potentials anyway, namely young people rather than confirmed criminals relapsing into crime for the tenth or fifteenth time.

Some hon. members might not believe it, but I urge them to read *Hansard* for May 5 ou 9, 1969. There is a question dealing with the number of relapses among parolees. Statistics on that are quite unbelievable.

The scandal of our century, in the application of justice, is that crime is systematically created by completely rejecting young people being victimized by a sick society.

● (1650)

Mr. Speaker, when a family is penniless, when the father takes to drink and the mother leaves, the children are left without any family environment and I say to myself if I did not have a good family background, I would probably not be here today as well as many other members.

Mr. Speaker, those young people must not be penalized on account of their age; as we know, they do not come under that legislation. This is why I urge the minister to reconsider his position so that we may hope that the young people may be granted parole much more easily than at the present time and that especially the necessary funds will be earmarked for the services of qualified, serious and honest personnel in the probation and rehabilitation fields.

Mr. Speaker, to get an efficient parole system it is not enough to pass an act, to appoint a number of civil servants and say: Go across the country, search prisons, try to find inmates likely to rehabilitate and free them. I know that the real object of the parole system is to prevent crime and leave the parolee every chance to return to society as a normal citizen. This person was sentenced because he broke the laws of society.

Mr. Speaker, when a prisoner is released he must have every chance to return to society in a normal way. Consequently, for this system to be operative, efficient and really satisfactory, it is essential that the government invests more in the probation system by creating a department or a school or whatever to train more and better qualified probation officers in order to meet the demand.

Mr. Speaker, in closing I hope that the minister will listen to me and that he will answer at the end of this debate.

[*English*]

Mr. John Gilbert (Broadview): Mr. Speaker, Bill C-191 has the support of the members of the New Democratic Party. The hon. member for New Westminster (Mr. Leggatt) set forth in a very clear and convincing way some of the problems that we face today with regard to parole.

All this bill does is appoint additional ad hoc members to the National Parole Board. I think we have reached the end of our research and study with regard to the question of parole. We have to start framing legislation which will deal more adequately with this problem. As the minister said, this is a response to a pressing need. It is only one step on the road to finding the complete solution.

Parole is one of the important matters in the area of the criminal justice system. May I review just a few of the steps we have taken. We made some amendments to the Criminal Code. These had some effect. We have the Hugessen report on the release of inmates. The Senate is now studying parole. An ombudsman has been appointed to study some of the grievances of inmates.

When I listened to the hon. member for Scarborough East (Mr. Stackhouse) speaking on behalf of the Progressive Conservative party, I had the feeling his remarks could be summarized by saying, you put people in prison, throw away the key and leave them there. That may be a rather harsh criticism. However, he gave details of some of the cases that have been failures without giving the details of some of the cases that have been successful. He did not set forth the high recidivist rate we have when we keep inmates too long in our penitentiaries.

The hon. member stressed surveillance. When it comes to parole, it is not only a question of surveillance, but reformation and rehabilitation of a parolee re-integrating himself into the community. He must be helped to adjust with regard to living conditions, employment and his attitude toward himself and other members of society. We have had many reports on the question of parole. We had a chapter of the Ouimet report. As has been pointed out, we have had the Hugessen report with regard to parole. We have also had the official statement of the Canadian Criminology and Corrections Association.

I hope that today we will deal with this bill in committee of the whole and pass it, so that the additional ad hoc members can be appointed to the parole board in order that it can be a more effective instrument in parole. Having said that, I hope the minister will refer to the committee the Hugessen report, the Senate report and also the position of the Canadian Criminology and Corrections Association in order that the committee can study these reports. The minister could then be in a position to come forth with legislation which would deal more effectively with the problem of parole.

It is not only a question of surveillance. It is a question of rehabilitation and reformation. The Canadian Criminalogy and Corrections Association made 27 recommendations setting forth the meaning and purpose of parole. They recommended that in the revisions that are introduced, every effort should be made to construct the system of parole in Canada so that it will be readily understandable by prison inmates, parolees, the police, members of the bench, prison and parole staffs and the public. When you have the divisions of full parole, day parole and temporary absence parole, confusion is created in the minds of the people. It brings about a criticism that at times is unnecessary and unjust.

Mr. Deputy Speaker: I wonder whether this is a convenient point for the hon. member to interrupt his contribution.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Champlain (Mr. Matte)—Royal Canadian Mounted Police—Inquiries on information given to provincial governments about ministers; the hon. member for Vancouver South (Mr. Fraser)—Energy—Representations to United States respecting proposed movement of oil by supertanker to Cherry Point and alternative Canadian supply; the hon. member for Nickel Belt (Mr. Rodriguez)—External Affairs—Government position on recognition of new government of Chile.

[Mr. Gilbert.]

It being five o'clock, the House will now proceed to the consideration of private members' business. I gather there has been consultation among the parties as to the item of business with which we will proceed. Perhaps this could be put on the record.

Mr. Reid: Mr. Speaker, there have been discussions, but there is absolutely no fixed position on this. There might be agreement not to proceed with private members' hour, but to proceed with the bill we are now discussing. If that is completed before six o'clock, we could reconsider our position and perhaps, rise or have the CNR financing bill. I recognize there has been no agreement. I am simply putting forward this suggestion as one which hon. members may wish to consider.

● (1700)

Mr. Bell: We agree.

Mr. Howard: As the parliamentary secretary has said, no fixed position has been taken. We shall not, in fact, be dealing with private members' bills this afternoon and the next item listed on the order paper is notices of motions for the production of papers. The government has sought for a long time to sweep all these motions under the rug and to withhold the disclosure of documents. Perhaps we should see whether we can persuade members opposite to change this attitude.

An hon. Member: Say yes, or no!

Mr. Deputy Speaker: There is no agreement.

PRIVATE BILLS

[*English*]

NATIONAL DENTAL EXAMINING BOARD OF CANADA

On the order:

June 13, 1973—second reading and reference to the Standing Committee on Miscellaneous Private Bills and Standing Orders of Bill S-7 an act respecting the National Dental Examining Board of Canada—Mr. Railton

Mr. John M. Reid (Parliamentary Secretary to the President of Privy Council): Mr. Speaker, the hon. member for Welland (Mr. Railton) has asked me to explain to you, and to the House, that he does not intend to proceed with this bill at the present time.

Mr. Deputy Speaker: Stand.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

URBAN AFFAIRS—REQUEST FOR COPY OF PROGRAM FORECAST OF DEPARTMENT, INCLUDING BUDGETS A, B, X

Mr. Terry Grier (Toronto-Lakeshore) moved:

That an order of the House do issue for a complete copy (including budgets A, B, X) of the program forecast (program review) by the Ministry of State for Urban Affairs for the latest year for which Parliament approved departmental expenditures.

He said: Mr. Speaker, I propose to begin by noting that I have already stood this motion on one occasion in the immediate past. Very often members are asked by the Parliamentary Secretary to the President of Privy Council (Mr. Reid) whether they are prepared to proceed with their bills and motions. To my mind, it appears a little inconvenient to be repeatedly asked at the very last minute whether we are ready to proceed and I am, therefore, glad of this opportunity to further develop a line of argument which I have sought to put forward on two previous occasions.

I found it instructive when dealing with this matter to review some of the arguments or counter-arguments put forward by spokesmen for the government in earlier debates. On September 6, the hon. member for Labelle (Mr. Dupras) enunciated certain views with respect to a motion to produce documents related to the Department of Veterans Affairs. Since the principle we are discussing today is identical with that being discussed at that time I believe it would be worth while to comment on two points he made. I may say they were the only two points he put forward on the matter of principle underlying the notice of motion. I quote from a translation the observations he made as follows:

I fail to see any such benefit for General Motors or Chrysler as well as other industries which compete against one another and which also stand to grain by keeping secret the main elements of their long-term plans.

By analogy I infer the hon. member was arguing that if it was bad business for General Motors and Chrysler to tell the public their long-term plans, it followed it was bad for the Government of Canada to advise members of parliament of the details of some of its long-terms proposals.

I reject utterly that analogy and the logic which appears to underlie it. The parliament of Canada is not a private enterprise corporation, despite the best efforts of some members to turn it into one, and it does not follow that because private business would suffer if it told the world about its plans the government of Canada would suffer if the members of parliament who sustain it were advised of those programs in greater detail. In the first place, the government is not an object unto itself. It exists under sufferance of parliament and it cannot spend a cent unless members of parliament are prepared to vote it supply. I have argued consistently that in order to consider questions of supply intellingently it is necessary for members to be given more information than is available to them at the present time. It is not only fallacious reasoning but an unhealthy attitude to suggest that what is not good for General Motors is not good for the country.

Urban Affairs—Budget Forecast

The second point the hon. member for Labelle made on September 6 when commenting on my remarks was to this effect—that each and every member of parliament had the right, or the opportunity and advantage, as he put it, to participate in the sittings of the various committees at which, for example, the estimates of all the departments were considered. Obviously, we do have this opportunity, this advantage, and even this right. But my question is: how can this opportunity best be exploited? How can a member of parliament, whatever his party, best take advantage of that opportunity to ask questions intelligently and in the public interest concerning programs which the government is contemplating? It is not good enough to say there are committees which members can attend if they wish. I am concerned about this: what material will be made available from the vast archives of government to enable members to do their job effectively, not merely in party political terms, as is often the cases now, but in terms of reaching conclusions as to the inherent wisdom, or otherwise, of programs which the government is seeking to establish? It is my conviction that these program forecasts, of some version of them, would go a long way toward giving members of parliament necessary information which they do not presently possess.

The hon. member for Labelle went on to say that long-term programs of the various departments are not announced, and the fact they were not announced did not jeopardize the interests of Canadians. Canadians, he said, did not miss anything by being unaware of these long-term projects. Mr. Speaker, they may not miss anything if it is assumed that what you don't know won't hurt you. But it is a dangerous philosophy to assume in the process of government that what the people don't know won't hurt them. It might very well hurt them grievously at some time in the future. To say Canadians are not missing anything by being unaware of long-term government plans is nonsense. It is the responsibility of members of parliament to ensure that the government does not take steps which might have deleterious results. Again I say that the information provided in the program forecasts could go a long way to enabling members to discharge this fundamental responsibility more effectively.

I have suggested on earlier occasions that governments of whatever political stripe tend to assume that almost any document prepared by the public service is confidential, unless specifically designed for public consumption, and contains information which ordinary mortals ought not to be allowed to play with. Thus when a notice of motion is presented in this House we are given the reply, as has been the case concerning my notices of motion, that these are internal documents of a confidential nature and therefore cannot be tabled. That is the end of it. Who says they are of a confidential nature? This is said by the government which does not want to release the documents. Therefore, we are engaged in a circular piece of reasoning. The government does not release the documents because it declares them to be confidential and it declares them to be confidential because it does not want them released. I say we have been given no substantive criterion for the basis on which documents prepared in the government service, or task force reports undertaken at the request of the government, should be either released or retained in private.

● (1710)

I am worried about the assumption which I believe was implicit in the remarks of government spokesmen in the past that if you give members of parliament too much information they will cause damage with it or if you give them too much information they will be up to some mischief. The result is that this is a very pessimistic and unnecessary judgment of human nature. I, perhaps, am overly naïve as a new member of this House, but it is just possible that if members of parliament were given more material on which to base their contributions in these committee meetings, they would be more objective and therefore would be less the product of partisan political judgments upon which, in the absence of real material to base a case, a member must fall back. I suggest to the government that it may very well be in its long-run interest to be a little less stingy with papers prepared by the public service.

I suggest it would be very useful if the government were to re-examine its entire policy in this regard and take a look at the basis upon which it is denying the House documents which have gone into the formulation of its policies. It should ask itself seriously whether every piece of paper in the ministry must be stamped "confidential". Other jurisdictions have operated with a very great degree of latitude in respect of the publication of internal documents and have survived. We know for a fact in two jurisdictions I have examined, namely Switzerland and Sweden, a far more, if I may use the term, liberal attitude toward publication of papers has prevailed for some time. It may or may not be coincidental that the government of Sweden which introduced this policy has managed to survive in office for 40 years, although I concede it is in a very close situation at the present time.

It is part of the underlying philosophy of the creation of public policy in Switzerland that the citizens of that republic shall be provided with all the information necessary to come to an educated conclusion about protecting government policy which is not directly amenable to the interest of maximum security. In the case specifically of the Department of Urban Affairs, I may note that the production of some more material would have been particularly useful in permitting members to come to some conclusions concerning the very extensive amendments to the National Housing Act which were passed by this House. Some more useful light might have been shed upon the bill which passed this House a day or two ago. At a time when housing policy is undergoing massive re-evaluation right across the country at all levels of government, I think it would have been in the interest of creative public policy for the ministry of Housing and Urban Affairs to have given this House more background material than it did.

Indeed, I may say this comment might very well apply to the Central Mortgage and Housing Corporation and to the vast array of bureaucracy which administers federal housing policy. It is extremely difficult to find out precisely upon what criteria its conclusions are based. I think the public, on the whole, is not served by an obsession about privacy in the matter of public papers. I urge that the spokesman for the government reconsider what has been in the past an automatic and instinctive negative response to reasoned requests such as the one I make in my notice of motion for the production of papers.

[Mr. Grier.]

Mr. Ian Watson (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, the hon. member for Toronto-Lakeshore (Mr. Grier) is asking for the production of the 1973-74 program forecast for the Ministry of Urban Affairs so that by scrutinizing the A, B and X budgets of the ministry he will have more information than he feels he now has available to him. I have a great deal of sympathy with the member's desire for more information. Certainly, it is my feeling that over the longer run members of parliament must be furnished with more information on all aspects of government than we now have available to us, regardless of party. I can assure the hon. member, however, that there is no desire to keep him or any other member of the House uninformed about the important activities of the Ministry of State for Urban Affairs. An examination of the A, B and X budgets of the ministry would tell something about the ministry's program.

In the case of the Ministry of State for Urban Affairs the blue book, the main estimates, provides a very clear and concise picture of what the ministry is involved in. And I would remind the House that the minister of State for Urban Affairs (Mr. Basford) was prepared to go before the Standing Committee on Health, Welfare and Social Affairs this spring to explain, in detail, the activities of the ministry and the imaginative program it is evolving. Members of the committee, however, chose to study and debate other subjects.

I think we should recall at this juncture that the Ministry of State for Urban Affairs is just over two years old. It was created by proclamation of the House of Commons on July 10, 1971. It is a new ministry, with new activities and new staff, but it is making its mark on the urban situation in Canada. The ministry is, and intends to remain, a small, compact, highly responsive federal agency. And its budget for 1973-74 is not large by the standards of other departments, generally speaking. The estimated expenditures for 1973-74 are $17,020,000. It is very important that all of us have a very clear picture of what a policy ministry is, what it does and what its specific application is in the Ministry of State for Urban Affairs.

Ministries of state were, and are, intended to develop new, comprehensive and innovative federal policies in areas where such policies are of great urgency and importance. And I hardly need remind you how important urban Canada is for our society and our economy. Most of us live in cities. And the fortunes of most of us are decided by how our cities fare. The Ministry of State for Urban Affairs, then, has three major responsibilities. It is to formulate and develop policies by which the federal government can influence the urbanization process, urban growth if you will; it is to achieve the integration of urban policies with the other policies and programs of the federal government, and it is to develop co-operative relationships in urban matters with the provinces and through them with the municipalities, as well as with the public and private organizations.

● (1720)

The rounding out of that mandate has been well launched in the 24 months the ministry has been operating. The ministry is developing urban policy, it is conducting research into urban problems and it is developing co-operative and productive relationships with the provinces and their municipalities.

The ministry has three main functions. They are: Policy development, to initiate proposals for new policies and to evaluate existing policies; research, to provide substantive data and knowledge for policy development; and coordination, to implement urban policies by coordinating with federal departments, between the federal government and the provinces, and through them with their municipalities and with the private sector.

The establishment of the ministry is a response to a number of hard facts about Canadian life. First, the change and the rate of change from an agrarian to an industrial economy affects every person in Canada. The transformation from a rural to an urban society and the flight to the city affects the country from coast to coast and, explicitly or implicitly, involves all levels of government in urban problems.

Governments have tried to meet this challenge. The federal government has taken many useful initiatives, and has tried a number of imaginative programs. But, programs which are developed unilaterally or in isolation are never as effective as projects undertaken with collaboration and consultation. If we are to take hold of urban growth, consultation and coordination are imperative. The fault lies with our past inability to attack urban problems in concert and to see them as part of a nation-wide phenomenon. Urban affairs initiatives are changing this situation.

It is becoming increasingly obvious that all government programs inter-react. There is no such entity as a policy or program which does not influence or affect in some way other policies and programs. Better housing may or may not provide access to better jobs. Transportation networks affect the form of cities and the pattern of urban development. Housing, sewage disposal, water supply and transportation among other factors are almost completely interdependent and inter-related. Although cities and municipal institutions belong in the constitutional framework of the provinces, the federal government has a major impact on urban life through many programs. The federal government is also a major urban landowner and a major national urban employer. It is also a major property manager in our cities. It has obligations and responsibilities to every community in which it has an installation, a building or a facility.

The ministry was created to deal with these facts of life. It was established to bring a coordinated federal perspective to the meeting and guiding of urban change. It was established to seek out information and knowledge on urban issues and to discover how the urban system works and how it can be influenced beneficially. The ministry was established to initiate and to develop mechanisms to enable the three levels of government to work together rather than at odds or in disharmony.

Mr. Deputy Speaker: Order, please. I hesitate to interrupt the parliamentary secretary, as I realize that perhaps some outline of the responsibilities of the department would be helpful in considering the motion presented by the hon. member for Toronto-Lakeshore (Mr. Grier). It does seem to me, however, that we are receiving a continuous report on the reasons for which the ministry was set up rather than a specific response to the request in the hon. member's motion. It is difficult motion for the Chair to understand, as I have not the slightest idea what budgets, A, B and X of the program forecast or program review by the minister are all about. Perhaps I could be enlightened on that point by the hon. parliamentary secretary.

Mr. Watson: Mr. Speaker, it is precisely in explaining the purposes of the budgets of the ministry that I am, in fact, detailing how the expenditures of moneys in Budgets A, B and X are to be directed. They are to be directed into these areas, and I feel that from the point of view of hon. members on both sides of the House it would be helpful to put on the record some of the precise objectives of the Ministry of State for Urban Affairs. I feel there is a general lack of knowledge among all members of parliament about these objectives and exactly what function is to be carried out.

Mr. McGrath: There is some lack of knowledge among government members as well.

Mr. Peters: If you would table the document, we could all read it and understand the situation.

Mr. Watson: As I indicated earlier, there is a need for the coordination of function in respect of the expenditures covered in these budgets and the details referred to in the request in this motion.

There are some 110 federal programs which have a direct impact on Canadian citizens and on the lives and well being of the people living in them. Federal transportation and communication systems, for example, have a major influence on the pattern of development in urban communities, and because of that as much as for any other reason the federal government must have the capability to understand and control the urban implications of its programs. Because federal policies interact with those of the provinces and local governments, the federal government must be prepared to work with and coordinate its policies and programs with those of the provinces and their municipalities in completely new and innovative ways.

Federal jurisdictional responsibilities are being taken into the cities to share with the provinces the task of devising and reformulating urban policies for Canada's emerging urban society. It is out of this situation that the commitment has emerged to build consultation between the three levels of government in order to face up to the problems of urbanization and urban growth. There are few urban problems that do not affect all three levels of government, and there are even fewer that do not interact with and react to others.

The mandate of the ministry charges it with building the coordinating and consulting mechanisms to deal with these inter-dependent factors of urban change and growth so that the decision-making processes of all three levels of government work in harmony and not at cross purposes.

Urban Affairs—Budget Forecast

In the first months of its mandate, the urban affairs ministry addressed itself to creating an effective organization, defining goals and strategies, setting priorities and initiating its functions. These tasks have been accomplished but they are subject to continuing review and adaptation to ensure a continuing effective response to urban issues. The question of goals and strategy is of particular importance to a policy ministry because that really is what its mandate is all about.

The question of what urban future or futures is the correct one for Canada has no easy answer. The urban affairs ministry and the minister are addressing themselves to the drafting of options for the urban future from which Canadians can make a choice. Approximately three-quarters of the Canadian population is now urbanized, and in less than 30 years this percentage will be over 90 per cent. Much of that growth will put the vast majority of Canadians within the perimeters of three or four large centres. The questions for us, and there are many, include the following: Should present urbanization trends be allowed to continue? What are the economic, social and political consequences of an almost totally urbanized population? What will happen to national unity and the national purpose? What will happen to the quality of urban life? There are no simple or fast answers to these questions. They involve personal values, priorities and what trade-offs we are willing to make to achieve a satisfactory urban future, but the ministry is tackling these and other policy issues.

The ministry began its existence with a strong sense of urgency in creating the kind of information and institutional response to enable the necessary accommodation to take place. That is the central direction of its policy development, research and coordinating functions. As I said earlier, the objective of this ministry is to lay the options in the budgets, which are in the motion, and which will be and are being directed toward a policy development, before us.

● (1730)

The efforts of the ministry are being directed toward the hiring of personnel for the preparation of long-term policies. The major emphasis in the policy is the development of long-term urban objectives. When elaborated, these will provide the focal points for the planning of urban strategies, policies and programs at the federal level and means of working out productive relationships with the provinces. Just as urban objectives will provide a basis for policy options over the longer term, a framework for urban strategy is being studied within the ministry to provide short-term working guidelines for the federal government over the next ten years.

There are other, more narrowly defined projects under way on policy development. These are projects which deal with specific and continuing sectoral issues. For example, transportation in urban centres is under study preparatory to a national trilevel consultation in Edmonton which will take place next month, and a measure to stimulate railway relocation, which was proposed last fall, will be introduced in the House. This program, as the minister has stated on a number of occasions, will have a major impact on urban centres in terms of what it will potentially be able to do in the way of rejuvenating core areas, opening up green spaces in the centre of cities and making available to cities land for housing, services and recreation facilities.

[Mr. Watson.]

The ministry is working on the policy implications of railway relocation as part of the necessary work-up of ideas prior to introduction of this measure. Practical experience on the issues involved in railway relocation is being gained through the trilevel committee in Winnipeg where railway relocation as envisaged by the federally-financed Winnipeg rail study is a major topic on the agenda of the trilevel action group.

A special task force within the policy branch of the ministry is analysing the short-range factors involved in municipal finance. This is another area that concerns a large number of members of parliament when we see the state of finances of most of our municipalities. Public concern over the availability and use of urban land has led to the initiation of a policy study of possible federal action in regard to federally-owned land, and an announcement on this can be expected in the near future.

The ministry is examining the development of policy proposals to guide the creation of new communities and the managing of the built-in environment in terms of scientific knowledge and technology. Policy development is especially concerned with preparations for the 1973 national trilevel consultation which takes place this fall. The first consultation was starting point. The second will, I am confident, get deeper into the more substantive issues of intergovernmental co-ordination and consultation on urban affairs policies. We are working with this in mind to prepare the federal position. I should note that the urban affairs ministry does not participate in these trilevel consultations by itself: it co-ordinates a federal team effort which includes a number of federal departments, namely, the Department of Transport, DREE, etc.

On the question of urban research, I would like to put on the record a few details. Research is a vital function of the ministry. The research program now under way is guided by certain prerequisites. It must be issue-oriented, it must have sound theoretical and analytical foundations, and it must be applicable to Canadian needs. The research projects have been grouped into a number of broad theme areas related to the scope of individual projects and to the central urban objectives of the ministry. These theme groups include: urban growth and demography, program impact indicators, technology and the environment, the core city, land and housing markets, urban environmental quality, urban government, urban public economy, and urban information and values and systems.

These groups are not meant to be exclusive or to indicate the limits of ministry research activities. Rather, they indicate the current work being undertaken and the more immediate demands for knowledge within the ministry. There are many individual projects within these broad fields. There is, for example, the $232,000 research contract with University of Toronto researchers to analyse the financial plight of Canadian cities. This is one of the ministry's largest external research contracts. We all know that there is more and more pressure on municipalities for more and better services and yet the municipal dollar keeps shrinking. We must find ways to provide more money for municipalities.

The study is examining a number of issues. First, the effects of federal and provincial grants on local expenditures. For instance, do provincial road grants encourage more rapid building of roads, or does the growth rate stay the same? What are the comparative effects of conditional versus unconditional grants? Second, the fiscal squeeze. Is the gap between revenues and expenditures caused by a conscious decision to improve services or by unavoidable increases in existing services?

Then there are a number of other items, such as the exploitation thesis. Do the suburbs take undue advantage of the cities by using their services without paying for them? There are also the new simulation models; the effects of transportation systems on land values and property tax revenues will be analysed and measured by the use of mathematical models. There is also zoning; the effect of zoning on the land market will be studied. For the information of hon. members, I may point out that the ministry is also studying the cost of providing public services in cities of different size, and it is delving into the demand for urban transportation to explore the transport arrangements for different land uses in cities.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but the time allotted to him, plus the allowance by the Chair for the point of order raised by the Chair, has expired.

Mr. Grier: Mr. Speaker, I rise on a point of order to which you yourself referred a few moments ago. I deliberately waited until the parliamentary secretary had finished before doing so. It seems to me that the greater part of his speech—and this was the case with the greater part of the speeches on this subject two weeks ago—did not address itself in any clear way to the substance of the motion which is before the House. I would urge Your Honour to rule that stricter application of the rule of relevancy be applied to these debates, otherwise it will be possible for members of the government to avoid utterly or evade the central question at issue in these motions and spend the better part of this hour reading public relations documents prepared in their departments.

Mr. Deputy Speaker: Perhaps the hon. member anticipates what might be said by future participants in the debate. But this question is of some anxiety to the Chair. The hon. member has put forward a motion directed toward a specific objective. I think the argument should be on whether his motion should be accepted or refused, and reasons for either course being adopted should be put forward.

Mr. Watson: Mr. Speaker, I rise on the same point of order. I indicated at the very beginning of my remarks that I had complete sympathy for the hon. member's desire for information. In his motion he seeks information regarding not only this department but other departments. In discussing the motion in the House, I do not think it would be stretching your patience unduly, Mr. Speaker, if one were to go into some of the details of the information sought by the hon. member who proposed the motion. It seems to me that one of the objectives of the motion is to obtain more information, and this is what I have been attempting to provide.

It is all very well to refer to what I have just been saying as a public relations lecture. The fact is that there has not been very much information available to members of parliament regarding this ministry because the estimates were not brought before the committee last spring by a deliberate decision of the committee on health and welfare which wanted to debate something else.

● (1740)

Therefore, this has really been one of the first opportunities to make this information available to hon. members. I would hope that the hon. member for Toronto-Lakeshore (Mr. Grier) would be appreciative of our effort to supply more information here. I sympathize with his desire for more information. I am one who also is desirous of there being more information for all of us. In speaking today I attempted to make more information available to the House.

Mr. Deputy Speaker: Before the parliamentary secretary, the hon. member for Toronto-Lakeshore (Mr. Grier) and the Chair itself, for that matter, get further involved I would recognize the point that this issue is before a committee. I will put it on record now. I quote from *Votes and Proceedings* for March 29 as follows:

—document entitled "Notices of Motion for the Production of Papers", tabled March 15, 1973, referred to the Standing Joint Committee on Regulations and other Statutory Instruments.

I hope members of that committee will consider the difficulties that the hon. member and the parliamentary secretary, along with the Chair, found in just how to proceed properly with the debate. Now perhaps the three of us can rest on our oars and see what the next contributor brings forth.

Mr. Douglas Stewart (Okanagan-Kootenay): Mr. Speaker, I rather regret that you had to put your admonition in exactly those terms so that I might be singled out to be solely relevant, which is always what I intended to be and, hopefully, will be. Unfortunately, I cannot give any other guidance on budgets A, B and X.

I hope that in due course we will have better information as sought by the hon. member for Toronto-Lakeshore (Mr. Grier). However, after coalescing a great deal of material and much research, I do wish to indicate some of my impressions to the hon. member who put forward the motion, particularly on the reference to a forecast of the departmental programs, and I also wish to give a brief review of what the Department of Urban Affairs has accomplished. I believe, Mr. Speaker, you will find that what I am about to say is relevant and I trust that if you deem otherwise you will draw it to my attention.

Frankly, I welcome the opportunity to participate in this debate, for one very important reason. That is, to remind hon. members that urban problems and urban issues with which the Ministry of State for Urban Affairs is grappling are not of concern to Canada alone. Indeed, the problems of urban growth evoke universal concern because, whatever form they take, they are present in every county of the world.

At this point I should like to remind the House that Canadians will be hosts in 1976 for one of the most important United Nations conferences ever held. I refer to the

United Nations Conference and Exposition on Human Settlements which will be held in Vancouver from May 31 to June 11 of that year. Canada has the key role to play in making this conference and exposition a success. Hon. members will recall that on March 19 of this year the Minister of State for Urban Affairs (Mr. Basford) informed the House that the conference and exposition would be the largest international conference ever staged in Canada. It is anticipated that some 4,000 participants from approximately 130 countries will be coming to this event.

The Ministry of State for Urban Affairs is responsible for developing and co-ordinating Canadian participation in the conference and exposition. The choice of this particular ministry to spearhead Canadian participation is indeed a wise one, and as my hon. friend from Laprairie (Mr. Watson) has just pointed out, the ministry has established and is strengthening those intergovernmental relationships which will be so necessary for the success of this United Nations event, which in my view ranks higher than the Stockholm Conference on the Human Environment in regard to its long-term significance for human progress. Obviously, the full co-operation of the provinces, of the municipalities and indeed of all Canadians will be needed to bring this particular conference and exposition through to a successful conclusion.

Canada will learn from this conference and exposition. Because urban growth is a universal phenomenon, and because urban growth issues are present in every nation, we can expect an outpouring of ideas, of talent, of communication, all of which will help us and the department, of course, as well as other countries, to meet this situation. Indeed, this event will offer Canada improved means of controlling and guiding its urban growth which threatens as well as promises so much. In turn, many Canadian initiatives and projects will be useful abroad.

I said that the Ministry of State for Urban Affairs was the correct choice to head Canadian participation. Let me briefly outline what it has been doing. Consultations and meetings have been held with the provinces and departmental officials have been in close contact with the staff of the United Nations Environmental Program to work out the myriad details connected with staging such an event. Last May the urban affairs ministry, on behalf of Canada, acted as host for a United Nations seminar which met in Vancouver to begin the arduous task of drafting the agenda for the discussions in 1976 and the criteria for the demonstration projects that will illustrate solutions to problems of human settlements. This seminar drew invited urban experts from over 30 countries. It is significant to note that for the first time East Germany took part in a United Nations consultation on the environment and that the Chinese People's Republic sent official observers.

Moreover, the countries represented were from both developed and developing regions. The experts also met with Mr. Maurice Strong, who is well known to all members of the House and to most Canadians and who is, of course, the executive director of the United Nations Environmental Program. They also met with his staff, with representatives of the Government of Canada, with staff of the United Nations Centre for Housing, Building and Planning, and with representatives of the United Nations economic commissions. This seminar of experts was chaired by Lady Robert Jackson, better known to hon. members as Barbara Ward. Lady Jackson is indefatigable in her efforts to gain world recognition of the crisis posed by urban growth, and her presence and vital leadership injected the experts' seminar with a sense of urgency which this challenge demands. This same sense of urgency underlines the programs of the Ministry of State for Urban Affairs as it attempts to grapple with the many complex issues which constitute the urban growth challenge in this country of ours.

Just recently, in the Montreal *Star*, a Reuters dispatch reported that city life in Japan would collapse totally if current migration to urban areas continued unabated for another decade. Japan's economic planning agency has urged emergency measures to head off this catastrophe. Among its suggestions is one calling for removal of the capital from Tokyo. The planning agency has predicted that if present trends continue, living conditions in Japan's cities will be miserable by 1985. The housing shortage will be even more acute. Pollution will be much worse. Traffic jams will be monumental. Garbage will start to pile up in the streets. Water will be in short supply. This refers to Japan, not Canada, Mr. Speaker. But the same problems, of lesser degree, also challenge Canadian governments. That is why the Ministry of State for Urban Affairs has shaped its policy and research program to attack these problems and to support the policies and strategies of the provinces in attacking them also.

● (1750)

The urban experts at the United Nations seminar in Vancouver chose six tentative themes for the conference and exposition. But as they themselves recognized, the six overlap because the problems of human settlements are the problems of urbanization, of the continuing process of urban growth. They overlap; they contain elements of each other. They cannot be separated because what we are dealing with throughout the world and what the urban affairs ministry is tackling here in Canada is the question of how people can live better in the built-in environment—better, not just in physical terms, in terms of health, but in terms of cultural and social and other expectations. The dimensions of the problem were fully recognized by the experts, Mr. Speaker, as they are by the urban affairs ministry.

Urban settlements are growing at twice the rate of present world population growth. With that rate of growth, problems inevitably grow at an increasingly faster rate. One can hardly fail to recognize that the one, single challenge that unites all nations is how to improve the human environment. The shift from a rural to an urbanized society is world wide. Overcrowding, pollution, hard-pressed facilities are common to urban communities throughout the world. But the real difference is one of degree not of kind.

In the next 25 years, we have been warned, our urban society will be confronted with pressures of greater degree than ever before in human history. "Vancouver '76" is being held by the United Nations because of those pressures, Mr. Speaker. But the problems and the conference-exposition, provide an opportunity for all nations to join together to overcome the problems of urban growth, to

meet them with tested responses, to guide growth by policies and programs that have been proven effective.

Mr. Speaker, I trust that hon. members will agree when I say that Canada has a great opportunity to give world leadership in the fight to guide urban growth beneficially. That leadership has been entrusted to the right minister and to the right federal agency, because the Ministry of State for Urban Affairs is at the centre of our attempts to control urban growth. It is the focal point for federal urban policy. And, through the 1976 conference and exposition, initiatives will be made available to other nations as well.

I thank you, Mr. Speaker, the mover of the motion, the hon. member for Toronto-Lakeshore, and other members of the House for the indulgence afforded me. I trust that in every instance, Mr. Speaker, you have found my remarks to be relevant.

Mr. Charles Turner (Parliamentary Secretary to Minister of Labour): Mr. Speaker, Canadians are a mobile people. We have a lot of ground to cover and we travel about this land of ours at an amazing rate. National transportation policy is not the concern of the Ministry of State for Urban Affairs, but policies affecting transportation matters in urban areas are definitely within the jurisdiction of the ministry. The ministry is acting on them.

As my hon. friend from Laprairie (Mr. Watson) has pointed out, transportation is one of those urban elements which interact with other elements such as housing. The ministry recognizes this interconnection among urban issues and factors, and that recognition underlies its response to urban growth. The realities of urban transportation are all around us. I shall start with a few statistics, not to impress or to avoid getting into the topic but to set out, first of all, the scale of the problem of best formulating federal transportation initiatives for Canada's urban communities.

Mr. Peters: Mr. Speaker, I rise on a point of order. I have listened very carefully to the last couple of speeches. While they stuck fairly closely to housing and the responsibility of the Minister of State for Urban Affairs (Mr. Basford), I suggest that the present speaker, when talking about transportation, is not referring to budgets A, B and X. He is giving a mild lecture to the House, and that is not the purpose of asking for the production of papers. There may be a reason why budgets A, B and X cannot be presented to the House, but I suggest no substitute is going to be the policy as outlined by the Parliamentary Secretary to the Minister of Labour (Mr. Turner).

Mr. Deputy Speaker: Order, please. The Chair continues to be in difficulty. I am still not clear in my mind about this, and if I had been perhaps I would have ruled more forcefully. With regard to the program forecast of the Ministry of State for Urban Affairs, the Chair has no knowledge whether budgets A, B and X concern only the operations of the department itself or whether what is involved is an overview of the various aspects of the urban problem.

The hon. member for Timiskaming (Mr. Peters) certainly has a point: the issue that was presented to us this afternoon was whether certain information should be put

on the desks of hon. members or should be kept in government filing cabinets. This, as he says, has not been made clear.

It being six o'clock, I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

PAROLE ACT

APPOINTMENT OF ADDITIONAL AD HOC MEMBERS TO NATIONAL PAROLE BOARD

The House resumed consideration of the motion of Mr. Allmand that Bill C-197, to amend the Parole Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. John Gilbert (Broadview): Mr. Speaker, Bill C-191, an act to amend the Parole Act, will give the governor in council the right to appoint not more than ten additional ad hoc members to the National Parole Board. The hon. member for New Westminster (Mr. Leggatt) this afternoon set out the position of the NDP on this bill in a clear, concise and convincing way and I will not add much this evening to what he said.

Parole plays an important role in the criminal justice system. It is therefore necessary, after a person commits a criminal offence and is confined to an institution, for us to have the tools to reform, and rehabilitate him, to turn him into a law-abiding citizen and a socially useful person. We must therefore make sure that our parole system is understood not only by the parolee, by the prison inmate and by the prison official, but by judges and by the public. Our experience of the past year has brought about some public criticism which in many cases has been warranted. Nevertheless, the over-all picture with regard to parole in Canada has been good and the results obtained have been good.

As I said to the minister previously, we have almost completed our studies and researches into problems of parole. We have been given the Ouimet report and the Hugessen report. There has also been the study by the Senate of the parole system. As the minister pointed out, the Standing Committee on Justice and Legal Affairs of this House has also been studying certain institutions and the parole of offenders. Also, an ombudsman has been appointed to look into grievances of inmates.

I think the time has come for the study and research to stop and for legislation that will deal with this important problem to be developed. I and the members of the NDP would like to see this bill passed tonight. We want it

referred to the Committee of the Whole House so it can be completed and we can appoint the ten additional ad hoc members to the board and begin developing the structure that we hope to develop.

The Canadian Criminology and Corrections Association, in a brief on the parole system, set out the value of parole. I shall read some paragraphs from the brief as follows:

> Parole offers many advantages to both society and the offender:
>
> 1) The offender is released from prison when he is psychologically and socially ready; this increases the chances of his successful adaptation to the free community. If this period is allowed to pass without his release he may deteriorate and his chances of success diminish.
>
> 2) The knowledge that parole may be available gives the inmate a sense of hope, and encourages him to make the adjustments in his attitudes and patterns of behaviour that are necessary if he is to be successful after release. Such a positive stance on his part will help him and also contribute to a better prison program.
>
> 3) The fact that society has expressed confidence in him and the fact that he has agreed to the conditions of his parole give him maximum encouragement in his efforts to re-establish himself in the free community.
>
> 4) The offender is enabled to reassume his family and community responsibilities with a minimum of separation. The longer the period of separation, the more difficult the roles of parent and citizen become.
>
> 5) The assistance given by the parole supervisor aids the offender's chances of successful adjustment in the free community.
>
> 6) Parole offers considerable financial saving over incarceration.

The brief continues:

> There are, of course, risks in releasing offenders on parole. However, there are risks in any program for offenders. The short-term risks of parole are calculated risks over which there is some measure of control. The risks involved in keeping the offender in prison too long, thus robbing him of hope, self-confidence and initiative before turning him free without assistance in making the adjustment, are greater in most cases.

The association is saying, I think, that we must exercise more control over the matter of parole. As well, we must help the parolee to adjust to living in the community, help him with employment and help him to change his attitude not only toward himself but toward other people. I heard the hon. member for Scarborough East (Mr. Stackhouse) speak this afternoon on this bill on behalf of the Conservative Party. I thought he took a negative approach and I came to the conclusion that in many ways he would like to see people incarcerated and the key thrown away. That may have been the sixteenth century approach but it does not fulfil the needs of the twentieth century.

An hon. Member: He is a clergyman, too.

Mr. Gilbert: I certainly hope that the attitude of the Conservative Party changes in this regard. In presenting his argument, the hon. member for Scarborough East referred to a long list of unsuccessful cases and thereby tried to create an emotion of fear rather than one of confidence in people. It is also necessary, I submit, to set out a list of successful cases in the field of parole. After all, we are dealing with human beings and human beings must be treated humanly if we expect them to take their rightful place in society.

[Mr. Gilbert.]

● (2010)

I wish to point out to the minister the necessity of dealing in a proper manner with young offenders. The young offenders bill was presented to this House but it was defeated in committee. Many members, both on this side and on the government side, were happy to see it defeated because it did not embrace the necessary philosophy with regard to the treatment of young offenders.

Mr. Allmand: There will be a new bill soon.

Mr. Gilbert: Since that bill was defeated there has been very little action by the government in drafting a bill which would meet the requirements of the situation.

Mr. Allmand: The new bill is almost ready.

Mr. Gilbert: I am happy to hear the minister say that the new bill is almost ready. Whether we have a new bill or not, I think the minister will agree that we need the necessary psychiatric, psychological and related services for the treatment of young offenders. This is the requirement of a successful piece of legislation concerning young offenders. We must change the attitudes and ways of persons when they are young if we are to avoid problems when they are older.

The record of convictions and incarcerations up until 1970 showed a decreasing trend in the number of persons committed to institutions. Since 1970 there has been an increase in the number of inmates, without the necessary institutions and facilities to handle the increase. The Ouimet report pointed out that Canada makes excessive use of the present system for the treatment of offenders. We now have one of the highest prison populations we have ever experienced. Therefore, it is necessary that we use the instrument of parole with regard to the treatment of these offenders.

The hon. member for New Westminster capably pointed out this afternoon that it is a myth to think we are going to reform and rehabilitate men in prison. The high rate of recidivism points in the opposite direction. This is sad and disappointing. That does not mean our institutions should be places of mere incarceration. We should continue to attempt to provide training and educational facilities in these institutions, but we should place greater emphasis on parole.

European countries have used with great success the parole approach to the treatment of offenders. We have only begun to do this in Canada. We have had the usual setbacks of a new system. I hope we will have a twofold approach, not only to improve the situation with regard to rehabilitation and reformation within the institutions but to improve and strengthen the parole system. There are many comments and criticisms with regard to parole because we have to make humane decisions when dealing with human beings. We shall make mistakes; however, I hope this will never stop the trend toward reformation and rehabilitation. To go back to mere incarceration, putting people in prison and throwing away the key, certainly is not the right approach.

We agree that the ad hoc members should be appointed on a regional basis. Setting up regional boards is a good idea. For the past few years, applications have been dealt

with by the parole board without the presence of the inmate concerned. The minister assured us this afternoon that, with the additional members, the board will go to the prisons and inmates will be given the right to present their cases for parole. This is a step in the right direction; it will strengthen the structure.

The minister also stated that judges will be appointed to the regional parole boards because of their wide experience in the field. I notice there is quite a difference with regard to the panel system that will be used. The Hugessen report recommends a certain number coming from certain fields; the Canadian Criminology and Corrections Association makes another recommendation.

I hope that in short order the minister will bring in legislation which will improve and strengthen the parole system in Canada. We support this bill. We hope it will be dealt with in committee of the whole this evening, and completed, so that this necessary part of the parole system can be commenced.

The Acting Speaker (Mr. Laniel): The hon. member for Skeena (Mr. Howard).

Some hon. Members: Hear, hear!

Mr. Frank Howard (Skeena): Mr. Speaker, my colleagues may not be quite so generous in their applause when they hear what I have to say. We must approach matters of this nature, not with opinions developed from the majority rule concept, as is often the case in caucus meetings of all parties, but from the point of view of what an individual possesses. I do not think there is any great difference of opinion in substance about what we are trying to advocate. There may be differences in terms of the technique of reaching the socially desirable objective, namely, ensuring that society and government agencies do all that is possible with regard to reformation and rehabilitation of those who run afoul of the law and end up in a penitentiary.

There are cases of individuals who are psychotic being sent to prison. I never did understand the term. But as I conceive it, it refers to those completely out of touch with the realities of life and with no concern or responsibility toward anyone except themselves. I agree there are some in that category who should never be let out of an institution, whether it be a penal institution, a mental institution or some other type of confinement, because they are a detriment to society and to themselves.

An hon. Member: Who decides that?

Mr. Howard: If we could find a person with the wisdom and majesty to decide that, we would not need government institutions or institutions of any other kind. That person would be a messiah. However, there is no one person who could do that. Through our political and government systems, society has decided that we require institutions. We have laws. When someone offends against those laws, the courts, or the medical profession if it is a question of certifiable insanity, can commit that person to an institution.

● (2020)

Somebody within the structure has an obligation to make a decision of that kind. Mistakes are bound to be made, just as they are bound to be made by the people to whom parliament has given authority to grant parole. But the objective we have in mind, and which we must have in mind, is that of assisting our fellow man and helping him to the fullest extent we can. Whether we use the term "rehabilitation" or some other term in this context is not particularly material.

I look upon this bill as being a small step. That has been said before. But I think it is a small step in the wrong direction. I think it is leading away from the type of policy which should be available to help people in our institutions to overcome their difficulties. The history of parole and the granting of parole from the time the parole board was set up and the original act was passed in 1958 has been one of groping and fumbling and missing the point.

I well remember the speech made by the minister of justice in 1958 or 1959 when the Parole Act was established. The minister of justice, Mr. Fulton at that time, spoke extensively about the mechanics of the old system of parole and what was conceived to be the new system being introduced. He made a lengthy, detailed and involved speech about the new bill and what it contained. But he missed one point, and when this was brought to his attention later he agreed he had missed it. He ignored the question of rehabilitation entirely. He ignored the question of what happens to an individual after he has been given parole; what happens when he gets out on the street and moves into the mainstream of society. He completely failed to deal with this point. The government of that day had no concept of what would happen to a person after he got out of a penitentiary, whether on parole or at the conclusion of sentence, and this aspect was never kept in mind while the Parole Act was being developed. This gave rise to a difficulty which has faced successive governments and ministers, whether ministers of justice or solicitors general.

I believe it is better for the individual, better for society and better for the taxpayer if, taking into account the factors I mentioned earlier, an individual spends his time of sentence outside a penal institution rather than in it. Though it has been said so many times that it has become a cliché, I think we must continue to recognize a simple fact about penitentiary life, and it is that there is no rehabilitation inside a penitentiary. There are attempts to teach people trades, to teach them work skills. They are taught how to make a chair, how to stamp out licence plates, how to sew mailbags or perform a number of similar tasks. But nowhere is there any attempt made, nor can there be any attempt made inside a penitentiary, to teach a person how to keep a job. You can teach him how to do it, yes, but teaching him how to keep it, or how to lead a so-called straight life is another matter.

In any event, the purpose of a penitentiary is not rehabilitative but custodial. The end result of the criminal law is to keep a person in jail for the length of time for which a court has sent him there, subject, of course, to pardon or parole. That is the purpose—to make sure all the doors are locked and the count is right. Any time there is the least conflict between the desires of a correctional

officer, who theoretically works in the area of rehabilitation, and a custodial officer, the custodial officer wins out. So it is better, I believe, for a person sentenced to jail to spend his time outside the institution in the mainstream of society whenever that is possible and as soon as that is possible.

There are instances when the best time to grant parole to a person who has been convicted of a crime and sentenced is on the very day he is sentenced. Again, this involves selection and correct decisions. Strange as it may seem, in certain cases of murder committed under the stress of emotion the best time to grant a parole is at the moment of sentence. I refer to crimes of passion, crimes of emotion, crimes which result from the discovery of family difficulties and a variety of other situations in which the person who commits the crime is not of criminal intellect nor of destructive intellect; he does not consciously or deliberately go out and commit a crime which might result in someone being murdered. It is a matter of a moment, something which could happen to anybody at a given time.

A person of that type should not, in my opinion, be required to spend a lifetime in jail. I do not like talking about statistics in this connection but, as has been stated by the chairman of the parole board, Mr. Street, any examination of a person at that time will show that the risk of his violating parole is nil.

Another point we should keep in mind is that every inmate who enters a penitentiary, even those serving indefinite sentences, so-called habitual criminals, will get out some time. The most obstinate, the most dangerous, the worst psychotic one can think of will get out some day. Our concern must be with the day he gets our and not, I submit, with setting up the mechanics of a structure such as this without being concerned about what happens when he does get out. I think the parole board is ill-suited in most cases to make that determination.

● (2030)

The parole board can make and has made decisions, generally speaking, in the most favourable of cases. The annual reports of the parole board indicate this in reference to the rise and fall of the number of paroles that are granted compared to the number of people who are eligible or apply for parole. Once the backlog of easy cases was dealt with, the parole board found it most difficult to deal with the granting of parole. The parole board also has been, to a measure, something of a jellyfish because when there has been an instance of a mistake on the part of the parole board in granting parole, and it has come to light, the reaction of the board has been to tighten up.

Probably the initial classic case of reference related to a fellow named Dionne who was imprisoned in St. Vincent de Paul penitentiary. He had been convicted of assault on a child from which death resulted. I think the charge was murder at that time.

Mrs. Morin: Rape.

Mr. Howard: He was granted parole. When he got out on parole he did the same thing all over again in two or three instances. He went back to jail. Not too long ago he was relieved of his difficulties; another inmate of the jail ended his life for him. In any event, when Dionne was on parole he committed further offences and there was a public hue and cry about the parole board having made a mistake. It had made a mistake and it admitted it. However, the parole board squeezed up into itself and said, "My heavens, we had better not do that again, not because we might make a similar mistake but because we had better wait for the public clamour to die down". As a consequence, the parole board did not fulfil its obligation and its authority under the Parole Act or the commitment parliament gave it.

What has happened since then? The minister says we need to expand the parole board by ten additional members partly because of the backlog of applications, partly because the parole board had discontinued its panel or subcommittee operation and partly because of the removal of the back-to-back temporary absences issued by wardens to prisoners. The change was necessary, so said the minister a while ago, because of legal difficulties. He said he received conflicting legal advice. If he received it from the Department of Justice, this is understandable. He received it from some government agency, I do not know which, so it is understandable that he received conflicting advice. As a matter of fact, if I ever had to take advice on a legal matter I certainly would not rely on the Department of Justice. However, the minister did receive conflicting legal advice. Perhaps he spoke to the Minister of Justice (Mr. Lang) on the one hand and the departmental officials on the other.

In any event, the minister said because of legal difficulties they had to discontinue the back-to-back temporary absence system. He said it was a good system and had operated well. I think it was good, because the decision was made at the institutional level by individuals who were closer to the inmates on a day to day basis than any parole board could possibly be. Because it was discontinued, and because the back-to-back temporary absence is to be replaced by day parole, which is an authority given under the Parole Act, it is necessary to expand the Parole board to ten additional, ad hoc members. I submit to the minister that if he did receive conflicting legal opinion concerning whether or not he had the legal right under the Penitentiary Act to issue back-to-back temporary absences, he should have brought in a bill to amend the Penitentiary Act to make clear that that type of authority would be available to the directors.

In his mind, if he thought it was necessary to discontinue the back-to-back temporary absences, and instead say to the parole board that it could do the same sort of things through day parole, I submit he should have brought in an amendment to the Penitentiary Act to say so, and not attempt to deal with that situation by increasing the membership of the parole board and increasing the bureaucracy within the board's structure. Quite frankly, I do not think this is necessary. If the members of the parole board were—I was going to say "conscientious" but I am sure they are—assiduous, dedicated and determined about the question of parole, there would be no need to increase the board to 19 members.

The parole board started in 1958 with five members. Let us take a quick look at the statistical analysis of the operations of the board over the years from 1958 to 1968 or 1969 when it had five members. These figures fluctuate

from year to year, and this is understandable because of the different inmate populations. In some cases there was an automatic review of parole cases, in other instances individuals applied, and so on. So without relating the year to year fluctuations to the numbers of people granted or applying for parole and the percentage of success or failure—whichever way one looks at it—there is a fairly consistent pattern.

The number of people who applied for parole over that period of time had a general ratio to the total inmate population in the country. It ranged around 6,000 to 7,000 with an average—by looking quickly at the figures—of probably 7,000 plus applications for parole. Of those who applied over that period, the number granted ranged around 2,000: it fluctuates from year to year. The annual reports of the parole board relate figures in two ways. They relate them in terms of success and sometimes in terms of the failure rate. Later on the board became more euphemistic about it and called it a success rate. It can be stated either way, it does not matter.

● (2040)

In those years, as today, the failure rate was 8 per cent, 9 per cent, 10 per cent or something of that sort. When they changed the reference and called it the success rate, we find there was 88.8 per cent or 90 per cent success, with a 10 per cent failure rate. Generally speaking, that ratio was standard over those years.

In 1969 somebody concluded that five members on the parole board was not sufficient, so the number was increased to nine. Parliament endorsed this change and I was one of those who supported it. One of the arguments given to support the increase to nine was that the chairman of the parole board had the authority to divide the members into panels or committees of not less than two and the panels would have the authority to grant parole on the spot. The theory was that they would meet in the institutions, review the applications, consider the records, listen to the opinions of the warden and the RCM Police, check over the fellow's history of attempts to present himself favourably to the institutional authorities, and then have an interview with the inmate.

Quite frankly, I think these interviews were nothing more than window-dressing. I do not see how two people could sit down for 15 minutes with somebody they had never seen before, but who had been preparing himself for weeks for the occasion, and come up with an assessment as to whether he would be a good prospect, or otherwise, for parole. Such an individual would indicate what he hoped and planned to do, giving an indication that he had a job and perhaps even name the employer. In any event, that was the reasoning behind it.

There was some value in that idea in that decisions could be, and were, made on the spot. There was a bit of an increase in the number of people who applied for parole under that arrangement, and a substantial increase in the number of paroles granted. The success rate remained about the same, 90 per cent, and the failure rate was about the same, being 10 per cent or something of that nature.

I understand that the chairman of the parole board has discontinued this panel system, or perhaps it was the minister who did so. It is my information that it was the chairman. For the sake of those who may eventually read this debate, those words were in response to the nodding and shaking of the head by the Solicitor General (Mr. Allmand). The chairman of the parole board discontinued the panel system and said to the two-member committees or panels that were out visiting inmates in institutions that they should come back to Ottawa, consolidate and centralize, and he would then go to the minister and tell him the workload was too heavy. I suppose he expected then to have more members to divide into groups of two under the panel system and would thus be able to increase the staff surrounding the additional members, thereby increasing his kingdom or the size of his bureaucracy. That is what is happening.

As I stand here the percentage of paroles granted to those who have applied will not be any greater than it was in previous years, and the success or failure rate will not be any different. The rehabilitation prospects will remain identical. What has happened to our concern for what happens to the individual once he gets out on the street? I know quite a number of people in my own area who have been or are now out on parole.

Somewhere in one of the annual reports of the parole board there is a graph that indicates the location of various parole officers. There is one in the city of Prince George who has the responsibility of looking after about 250,000 square miles of territory. That is an area within which you could put the four Atlantic provinces two or three times over. That man has no relationship whatever with the people on parole. If a man on parole has a difficulty or some emotional uptightness and does not know what to do about it, who does he turn to? Does he phone 400 or 600 miles to talk to the parole officer in Prince George? He might just as well have a tape-recorder with him that he can turn on when he wants to talk to somebody. The parole officer's voice might come out of it telling him that everything is fine.

A man in that situation does not have any measure of assistance, help or guidance from the parole officer. He is on his own. I am not the least bit disposed to support the idea of increasing the number of members of the parole board just for the convenience or the desire of the chairman to increase this bureaucratic entity. There should be some effort to find probation officers and people in the community who will work on a voluntary basis—and they are there—and sit down with these people on parole and talk over their emotional problems. This would do a great deal toward reducing the 10 per cent failure rate.

There is another disadvantage to the parole officer structure. As I understand it, under the Parole Act a parole officer is a police officer. Many people who are on parole just do not want to sit down and talk with a policeman when they have an emotional problem. They look at their parole officer as someone who might turn them in if he thinks they have done something wrong. These people feel a parole officer is someone who might turn them over to the authorities if he thinks they are associating with the wrong people, that they are drinking too much, or if he thinks an individual is suffering some emotional turmoil and might crack and commit another crime. They think he is someone who might turn them into the authorities if, as is the case in respect of 40 per cent or

50 per cent of the inmate population of penitentiaries in British Columbia, he thinks they might take another fix of heroin to get them over some tough emotional period. That is a criminal offence and such a parolee would be sent back to prison, so there is reluctance on the part of the individual to talk to the parole officer.

Just as Davie Fulton, a former member of the Conservative government, missed the boat entirely when the parole board was set up in 1958, I think this minister is missing the boat entirely when he talks about the establishment of a super-structured parole board which is ill-equipped and ill-suited to make the decisions it must make or, what is even worse, to follow them up after an individual gets out of jail. This should be our prime concern, and that is why I said at the outset there is no difference of opinion among members of this House as to the need to stress rehabilitation. This idea has been expressed to the point that it has become almost a joke, or meaningless.

In any event, our concern must be in respect of rehabilitation. We must be concerned about helping these individuals get over the rough spots. Our concern must be to try to cut down the incidence of criminality. Our concern must be to try to cut down the incidence of violence, to cut down the incidence of robberies and all the other crimes that take place which result in people being sentenced to the penitentiary. But I think, quite seriously, that we are headed in exactly the same direction as when we started out in 1958, not helping one bit except to add to the bureaucratic structure. In this way the objective and the goal of rehabilitating the individual will receive scant consideration.

● (2050)

To take another approach to the matter, in terms of security I believe there should be gradations of institutions so that individuals who are considered to be tough, incorrigible, unable to conform, unreliable, desirous of only engaging in criminal activities, who are housed in a maximum security institution or a super-maximum security institution, would not be offered the opportunity for parole which is available to those who are housed in other institutions. The other penitentiaries in different types of classifications moving downward are called medium security or minimum security institutions. They have living accommodation quarters or home-living style activity. We have community homes. Halfway houses are not part of the penitentiary structure. If you walked by those community homes you would not know they were penitentiaries. People go out of them to work, to go to school or to engage in some type of activity, and they come back to the institution at night. There is a guidance counsellor around.

If an individual wants to spend the rest of his life in jail, he should be faced with this prospect, and if he wants to stay within the institutional structure until he has served his time, he should be kept in the so-called maximum or hard-line institution. His function there should be to work, work, work. There should be no meanness, no cruelty, no starvation, no lash, the paddle or anything degrading to the individual—just good, old-fashioned work. Then, if he wants to embark upon the road that leads toward rehabilitation, toward parole, toward temporary release, all of which lead toward a variety of other things—and it must be his choice—he should work his way, not by escaping out of that maximum institution, into other types of institutions and move toward rehabilitation. However, he must be faced with that prospect.

I do not believe in the idea of giving parole opportunities to everybody theoretically, in every type of institution, nor do I believe in granting temporary releases right across the board. But I do believe in some type of meaningful attraction being offered to the individual, so that if he wants to make a go of it then the facilities of the parole board are there to help him all the way, not only in parole being granted in the first place but in offering him assistance after he gets out—and that is the most important aspect.

Until the minister, the government and society in general are able to accept that concept and work toward it, all this is window-dressing which permits a debate to take place in the House about these matters and allows an expansion of a bureaucratic structure with nothing meaningful coming out of it at the end.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I feel the minister is on the right track in wishing to increase the number of members of the parole board. This brings me to my first point, and I will not speak at great length. I wanted to differentiate between the history of the parole board and the history of the temporary release program.

First, I want to quote from the Penitentiary Act because I believe it was misinterpreted at the time the former solicitor general held this portfolio, now the Minister of Supply and Services (Mr. Goyer). I do not blame him personally for that, and I never did at that time. Apparently he listened to a group of people who had a different interpretation of the act than was formerly the case. I agree with the Solicitor General (Mr. Allmand) that the act was incorrectly interpreted and that it was misused. I want to point out that in my opinion the mistakes were not made by the parole board but, rather, as a result of ad hoc decisions under the temporary release program, for which of course the Solicitor General must take full responsibility.

I wish to quote from the Penitentiary Act, which is found in chapter 6 of the Revised Statutes of Canada, 1970, at page 12, section 26. This is the section under which the Department of the Solicitor General operated the temporary release program. I, as well as many lawyers across the country, including bar associations, believe that the back-to-back temporary release program under the act was misinterpreted and misused by the department. Section 26 reads:

> Where, in the opinion of the commissioner or the officer in charge of a penitentiary, it is necessary or desirable that an inmate should be absent, with or without escort—

I will have something to say about the words "with or without escort".

> —for medical or humanitarian reasons or to assist in the rehabilitation of the inmate, the absence may be authorized from time to time.

The grounds, in that section of the act, are medical or humanitarian reasons. Medical reasons do not need any explanation. If the inmate becomes sick and needs medical attention in a hospital, such as surgery or some other kind

of attention, then the commissioner or officer in charge can sign a document for his temporary release and he can be removed to the hospital. I might say in passing that I had cases of applications being made years before the act was misused, misjudged and misinterpreted. The other ground is humanitarian reasons. We know what they are. I can give you one example of a man who was incarcerated for seven years for armed robbery. He was a family man. His seven year-old girl had played with other children with whom she started a bonfire, as a result of which a fire started and in the accident she died. We made application to the attorney general and the inmate was released to attend the girl's funeral. Those are humanitarian grounds and they are justifiable. I hope we will always have such a law.

Then we should consider the rehabilitation of the inmate. I do not think it was ever intended that an inmate should be released under the temporary release program for the purpose of rehabilitation at a time in Canada when we have abolished capital punishment not only *de jure* but *de facto*. We had abolished it by law. Of course, that law has now lapsed and the bill to reinstate it is awaiting third reading. We abolished capital punishment except where a person was found guilty of intentionally killing a police officer or a prison guard. But even during the five-year abolition period all those people who had been found guilty of such murders—I could name them—and who went through the due process of law—trial, Court of Appeal and the Supreme Court of Canada—had their death sentences commuted to life imprisonment. Recently we saw the Prime Minister (Mr. Trudeau) on television when he appeared at the Liberal party convention. He was asked about this situation and he said that every case was decided on its own merits. But, Mr. Speaker, I stress that all sentences were commuted to life imprisonment. That is *de facto* abolition.

● (2100)

I hope the Minister of National Health and Welfare (Mr. Lalonde) does not want to get involved in this. He is a rather talkative man.

Mr. Lalonde: The same thing happened under Diefenbaker.

Mr. Woolliams: Do you want me to name the cases where they did go to the gallows?

Mr. Lalonde: Not under Diefenbaker.

Mr. Woolliams: Yes. Mr. Speaker, I can tell you of one in Calgary. The death took place on Scarborough Avenue, at Scarborough United Church, where a man beat a girl to death with a Coke bottle. The man went to the gallows. But I did not come here to defend Mr. Diefenbaker or discuss his government. Mr. Speaker, the hon. gentleman who is trying to heckle me was the executive assistant to a former minister of justice and he should have special knowledge of these matters.

Returning to the question of rehabilitation, I say that this section of the act was never intended for people who were sentenced to life imprisonment or had their death sentences commuted to life imprisonment. At the time Right Hon. Lester B. Pearson was prime minister this section was in force. It provides:

> Notwithstanding any other law or authority, a person in respect of whom a sentence of death has been commuted to imprisonment for life or a term of imprisonment or a person upon whom a sentence of imprisonment for life has been imposed as a minimum punishment, shall not be released during his life or such term, as the case may be, without the prior approval of the governor in council.

So when section 26 is used it flaunts section 684(3) of the Criminal Code. I will deal with the Geoffroy case in a few moments. We also had the Head case, and another one that did not have any publicity, the Swearngen case. These men were found guilty of murder and given life imprisonment. In the case of the latter two it was not the parole board that was to blame. These people committed other crimes when they were out on temporary release. This is why I asked a question today about the chap in Prince Albert who some years ago was found guilty of killing a young boy. Recently he was given a temporary release, and now has escaped. I believe he is in a certain area, which I will not name, in western Canada. To date he has not been rearrested.

The point I wish to make is to raise a defence for the parole board. People have failed to differentiate between inmates on temporary release under section 26, whether legally or illegally enjoying that freedom, and people who are out on parole. Basically, the history of the parole board is good.

The first step we should take is to provide enough parole officers and more psychiatrists so that the proper documentation comes before local parole boards in order to minimize the risk of improper decisions being made. Any minister who must take responsibility for these things is sitting on a keg of dynamite when such decisions are made on an ad hoc basis by a local board with an officer in charge. I will give some examples. The parole board did not let Mr. Geoffroy out. He was found guilty of murdering his wife. He was in jail only a few months when he obtained a temporary release. On what grounds did he get that release? He was not sick. Surely it wasn't for humanitarian reasons. I do not know if it was necessary for rehabilitation.

I repeat that he was found guilty of murdering his wife. That might be a crime of passion, such as my hon. friend from Skeena (Mr. Howard) talks about. But there was another lady involved. There often is in such matters. How deeply she was involved is another question. I have some tapes in my office that would be worth listening to; I keep them there. She was involved with this man prior to the death of his wife. He applied for a temporary release, not because he was sick, not on humanitarian grounds, and surely not because of rehabilitation. He said he wanted to marry a particular woman. I quote the following from *Hansard* of February 21, 1972, the words of the then solicitor general:

> On June 28, 1971, Mr. Geoffroy sought permission to marry Miss Carmen Parent with whom Mr. Geoffroy apparently had had a continuing liaison.

I don't know what kind of continuing liaison, but people can use their imagination.

> The reason he cited to support his request was that marriage

would provide a mother who would look after the needs of his three children—

I do not think for one moment that the then minister wrote those words. Somebody in his department wrote them, and he read them. He was led to the slaughter. If this was a genuine case, why was it not examined properly? Then the truth about the custody of this man's children would have been known. If everything had been above board then surely a man, once he married while out on parole, would not have headed off to Spain and deserted the children.

That is the point I am trying to make with respect to decisions made on an ad hoc basis. I am not blaming the commissioner or the officers in charge. How were they to know who should be released? That is why local parole boards must be provided with proper screening and proper documentation. In that way the risk would be minimized. I believe that some day this case will be written-up in *True* magazine. It might even make *Playboy* because it's a joke.

My hon. friend from Skeena said we should not talk about these cases. The minister talked about minimal error. I have many cases I could recite. I have a fine clipping service of my own and I can document many errors. The risk is not minimized when an ad hoc basis is used; that is absolutely wrong. Then there is the example of the man named Head. On January 20, 1967, he was charged with attempted rape of a nine year-old girl. On January 31, 1967, he was charged with indecent assault on a nine year-old girl. On May 26, 1967, he was sentenced to life for the rape of a six year-old girl, and to a five-year concurrent sentence for rape of a nine year-old girl. On June 15, 1967, he was found mentally ill while in jail and declared criminally insane. On November 1, 1967, he was declared a dangerous sexual offender—DSO they call it. His other sentence was reduced to 15 years and then he was given an indeterminate sentence.

● (2110)

This is the record of a man who had to be sick. Surely any psychiatrist or psychologist would say that. I have heard that the reports from British Columbia said he was sick. But he was released under the ad hoc, back-to-back program despite the act. He certainly was not released with the type of illness that would warrant his release, although of course he might have been mentally sick. He was not released on humanitarian grounds. This was not the way to release a dangerous sexual offender, Mr. Speaker. He had a long list of sexual offences.

Of course, the government took responsibility. Any one of us, Mr. Speaker—you, myself or my colleagues, but in this case it happens to be the Solicitor General—would have to take the responsibility. I am not talking politics now, but facts of law. He was released. The evidence is that he disliked one of the wardens. He waited on the road until a little girl only six or seven years old came along, Tanya Bush. That was the end of Tanya. He was tried and found guilty of murder. The case went to appeal and I think it was dismissed.

Why do I mention these horrible cases? I do it to show that you cannot operate on an ad hoc basis. These horrible facts are facts; they are the facts that have destroyed the

[Mr. Woolliams.]

parole system in Canada that was carefully set up. That is what I kept saying to the media about the Geoffroy case and the Head case. I mentioned that this had destroyed the real parole system where a man is studied while he is in custody, where his behaviour in custody, his behaviour out of custody, his background, his psychological tie-ups are all considered and the psychiatrist comes to a decision on documentation and if that goes before learned men and women who decide whether the man is safe to put out on the street either with or without supervision. Surely that is what the Solicitor General now has in mind, although he may not have enough officers.

Let me take another case. The headline of a newspaper article reads, "Murderer free on Xmas pass"—Commits reign of terror". It is datelined St. Catharines, Ontario. The article reads:

Assistant Crown Attorney Frank Keenan verbally lashed the National Parole Board in provincial court at St. Catharines for a "reign of terror" unleashed on the city by the release of Richard Swearngen on a Christmas leave pass.

Swearngen, 25, was sentenced in 1963 for the murder of a London, Ontario, man whose body was found in Rondeau provincial park. The man had been tied up and burned with cigarettes.

This is the background of the crime. The article continues:

Swearngen was granted temporary leave of absence—

Not parole, Mr. Speaker. All these things are talked about as if the parole board, George Street and his men, made the decision. I want tonight to defend the parole board of this nation. They have made mistakes; the mistakes have been made under section 26 of the act.

I do not know what my friend down there is talking about, but it does not matter. I do not want to get into an argument. This problem is too serious to be joking or heckling about. These are serious matters because every one of us has been elected by the citizens of Canada; it does not matter whether we are Liberal, Conservative, NDP or Social Credit. To continue with the article:

—from Collins Bay penitentiary on December 23 but failed to return by December 28. On January 6, he was driving a car on the Queen Elizabeth Way near Niagara Falls when he picked up a hitchhiker, Michael Savoie, 22, of Park Ave., St. Catharines, and held him (Savoie) at gunpoint.

I want to pause there. They say that this fellow got a little upset. Well, he had two guns; he was ready to be upset.

He robbed him of $70 and identification papers. Swearngen also had identification belonging to Laszo Ulman, of Hamilton. With the latter papers, he rented a car and drove it to Bogart Street, St. Catharines, where he was staying with friends.

Two friends of Swearngen told him they had had trouble with three men at the Henley Hotel. Swearngen and one of his friends went there and, when the trio emerged, Swearngen shouted: "I've got something for you."

He had a Christmas present. He opened fire with two automatics. This is a fellow on temporary release, and the parole board was blamed for it. Let us see what happened. The article continues:

William Harper, 20, of Marlborough St., St. Catharines, was shot twice in the face and his jaw was broken, and Douglas Nicholson, 18, of Parkview St., St. Catharines, was shot in the left shoulder. The third man was not hurt.

Police arrested Swearngen at the Bogart Street address—

En route to police headquarters, Swearngen produced the .25 automatic and ordered the cruiser to stop. He told Sgt. David Horne and Sgt. David Swanwick to hand over their guns, and then fled the cruiser.

Swearngen eventually reached Pontiac, Michigan, with the aid of friends. He was arrested—

Swearngen claimed in a statement to police that the three men who came out of the hotel rushed him with knives and he only fired in self-defence.

Here is what the judge said:

"You and I have very different ideas about what constitutes self-defence . . . The fact that you were carrying two guns shows that you were ready to resort to violence."

I will accept that. The article continues:

The accused would have been eligible for parole in another two years, but must now serve at least 12 years—

These are examples of the temporary release program. Naturally, the parole board gets the blame when it is written up. I looked at the Oxford dictionary this afternoon and it defines "parole" as release from an institution, such as a penitentiary. I could go on and on, Mr. Speaker. All these statistics are a lot of tommyrot because you cannot find out anything from them. The people who make the mistake hide it under the table and the parole board takes the blame.

Certainly jails are lonely. Certainly people in them are frustrated. I agree with other speakers who say that Canada has too many people in the penitentiaries. We have a habit of sentencing people for various kinds of crime to long terms of imprisonment. That was one of the complaints set out in a pamphlet put out by the youth of this party. Only a few years ago, people who had a certain amount of marijuana were said to be trafficking and the courts were giving sentences of four and five years. Yet the same process of law in this country was releasing people who were dangerous psychologically, and the psychiatrists knew that they were.

I suppose Byron was right in his sonnet "The Prisoner of Chillon" when he wrote:

And when thy sons to fetters are consigned,
To fetters, and the damp vault's dayless gloom,
Their country conquers with their martyrdom,
And Freedom's fame finds wings on every wind.
Chillon. Thy prison is a holy place
And thy sad floor an altar—
For 'twas trod, until his very steps have left a trace,
Worn as if cold pavement were a sod—by Bonnivard.
May none these marks afface!
For they appeal from tyranny to God.

● (2120)

I know about these things. I spent 27 years practising before the bar. Apart from the time I have spent in this institution, I have spent much time and initiative—all my life—in defending people. I have been in every penitentiary of this nation, either as counsel or visitor.

Mr. Benjamin: How about as an inmate?

Mr. Woolliams: I don't want to get into that. My hon. friend may know something about that; I don't know. I hope he stops joking, because this is no joking matter, believe me. I have spent all my life dealing with matters of this kind and have deep feelings about them. I want to see us on the road to a proper rehabilitation program. Let us set up a proper parole board, staffed with men and women who are trained in the highest skills, so that the right type of person in our society may be rehabilitated.

Surely we all recognize that environmental factors are behind much of the trouble. Judges across this nation to whom I have talked agree. A man who served his country as a member of this House—I refer to Mr. Justice McNiven whom I met in the Court of Appeal in Regina, who, incidentally, was a member of the Liberal party, and one of the finest men western Canada ever produced—used to say that from broken homes there comes trouble. We cannot change these things, but we can help the young men and women who have gone astray. That is why I want to see parole boards set up on a regional basis so that people with the best experience and the best skills are appointed. In that way we shall return people to society as rehabilitated individuals.

Last week, being alone, I read again the life of Clarence Darrow. Anyone who has read his life story will have read about the famous case of Leopold and Loeb. Darrow was the first lawyer in 1929 to bring together seven top-rated psychiatrists and psychologists of the nation to prove that Leopold and Loeb, who came from the oldest of families in the United States, were in a certain mental condition at the time of the offence.

These two young men had set out to commit the perfect crime. They picked up a young boy, the first one to leave a certain school, and took him out to the country and murdered him. It was not the perfect crime because one of the accused dropped his glasses. His name was on them and he was caught. Darrow pleaded them guilty. The accused were sentenced to death. However, Darrow, with his great ability, eloquence and knowledge of humanity and human motivation, brought scientists for the first time before a Chicago courtroom to show that the accused should be sentenced to life imprisonment rather than to death because of their mental and emotional condition at the time of the offence. That was a very important trial.

This illustrates the kind of law I should like to see in my country. I know what I said about capital punishments, but my remarks are confined to a very narrow basis as one will see if one examines my speeches. That illustrates the kind of law I should like to see in this nation. I say that because my whole life has been spent defending people charged with terrible crimes. In that way I may be unique in this chamber.

If I may be personal for a moment, in 1950 I defended a lady charged with murder. She was acquitted. In 1967 the same lady approached me and asked me to defend her son who was charged with murder. So one can see how important environmental factors are. The environmental factors of the home shape our lives and we can all say, when we point to unfortunate people, "There but for the grace of God go I." So I am really glad to see that the government has at long last moved on this matter.

I know the minister pretty well. We served on the same committee years ago when we used to take time off and visit various institutions. We would talk to various inmates. I know that his feelings run deep and I know he wants to do the right thing. I say to him, get rid of this ad

hoc basis of appointing board members because it will cause much trouble and bring about frustrations in the community. Let us have regional boards, made up of skilled men. Let there be proper screening. Let us try to rehabilitate those who warrant rehabilitating, and give them an opportunity.

Above all, let us revise our way of appointing judges. Surely, in 1973, we should not appoint men who have done nothing but draw up mortgages, who have been bagmen for some political party, who have drawn up leases or who are defeated candidates who have practised law. The time has come to put men on the bench with brains and an understanding of humanity of the kind I have tried to describe. Only then will we get better judges.

Above all, it is time we examined the rules of appeal in Canada. Once a trial judge has found the facts, you cannot upset them. If then witnesses say it was snowing and one says it was not, and the judge finds that it was not snowing, the facts that the court of appeal will accept are those found by the trial judge. If the trial judge finds a fact, the court of appeal cannot change it because the rule is, as Your Honour being a lawyer knows, that the demeanour of a witness is taken into account by the judge and he analyses the situation. That rule can become pretty dangerous.

Let me tell hon. members a little story on this point. I recall a trial in which I was defending a rather ugly truck driver. The lady on the other side was very well built, and beautiful. As she stood in the witness-box beside the judge and spoke, with her flowing hair and beautiful figure, I knew that no matter what the truck driver, my client, might say, justice was ended then and there so far as my client was concerned.

That sounds humorous, yet in criminal proceedings the atmosphere in the court is very important.

I have never liked the system in the criminal courts of my province. Let me say that I started in Saskatchewan but went on to practice in Alberta. That is the only province in Canada in which the jury in certain cases can be dispensed with and where indictable offences in certain circumstances can be tried by one magistrate. Mr. Speaker, you can be tried for murder by one judge. The whole principle of jurisprudence is that you shall be tried by your peers. These peers are various people who understand human behaviour and who judge a case according to their own experience. That, to my mind, is how a court ought to be made up. Any other system is not fair.

The Supreme Court of Canada says that when you are tried by a judge alone, the judge is deemed to have instructed himself as to the law. In other words, the judge is presumed to have instructed himself correctly. However, when he must deliver the charge to the jury you can smoke-out his knowledge. That is why 13 men whom I had defended for murder were granted a new trial. They were all under 21 years of age. One of the accused did not even get out of the car and did not know where the others were going when the offence occurred. He, too, was found guilty of conspiring to murder.

In that case the judge instructed the jury improperly in my opinion and the court of appeal held that there should be a new trial. Eventually, five of the accused were acquitted. I say to the minister, who I know is interested in this area, let us strengthen the parole board, let us get rid of temporary releases, and let us not stretch the law to cover bad cases.

Mr. Reid: Mr. Speaker, would the hon. member permit a question?

Mr. Deputy Speaker: Order, please. The hon. member's time has expired. However, with unanimous consent the parliamentary secretary may ask a question. Is this agreed?

Some hon. Members: Agreed.

● (2130)

Mr. Reid: Mr. Speaker, the hon. member made some statements about the way in which judges are appointed. Does he believe that any person who has been in politics at any level should be barred from sitting as a judge? Is that what I am to understand from the tenor of his remarks?

Mr. Woolliams: Mr. Speaker, the fact that he was a member of this House should not affect whether he is made a judge or not. The late Mr. Justice McNiven was one of the finest legal minds. I was not here at the time, but I assume he was one of the greatest members of parliament. He was a man with a sense of dignity and justice. That was a wonderful appointment. Don't ask me about the bad ones.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, it is always very interesting to listen to the hon. member for Calgary North (Mr. Woolliams). He has the great facility of being able to combine his parliamentary responsibilities with what I consider to be a courtroom presentation. He is one of the few who can refight a case and do it well. He made an interesting comment about our peers. I wondered about this when he talked about juries. How would this work if a person applying for parole had his peers in the penitentiary as a parole board? As my colleague pointed out, no one would ever get out under those circumstances. It is the reverse of what happens in court with one's peers.

When we look at the parole board we are really looking at society. Society must look at the number of inmates in our penitentiaries and decide whether we are properly meeting the changes in today's world. If they believe we are, they are not considering the fact that our penitentiary population is rapidly increasing. This does not hinge entirely on the parole board or the method of parole: to some extent it hinges on society.

As lawmakers it may be that we are not taking into consideration the crimes of today. Obviously, many people are being imprisoned for offences that in 10 or 12 years will no longer be considered offences. This is true of offences regarding marijuana. Only a very rash judge would send a young person to penitentiary for such an offence. Only four or five years ago, young people were being sentenced to five, six or seven years in penitentiary for smoking marijuana. Today, society does not find that as offensive as many other offences. The courts have now tempered their approach to the marijuana question, and this is all well and good.

I remember visiting a number of penitentiaries a few years ago. I was not a member of a committee being shown through the penitentiary on a conducted tour. On one occasion I visited a person who had written to me. Many letters were written to members of parliament; they visited the penitentiaries and became acquainted with some of the inmates. A member of parliament no longer has the right to visit a federal penitentiary. This right was eliminated by a Conservative minister of justice, Davie Fulton. According to the British constitution, members of parliament have the right to enter penitentiaries any time and talk in private to any incarcerated person. A former solicitor general from the province of Quebec did not agree with the British tradition.

Although it may cause him some trouble, the minister should reinstate the practice of allowing members of parliament to visit penitentiaries. They should be able to do this unannounced, at a reasonable time. If the minister is shy about doing so, it indicates he has no faith in the institutions for which he is responsible. I hope the minister does not believe the institutions would not stand up to that kind of scrutiny.

Each member of parliament has a responsibility. We help make the laws, establish the agencies that enforce the laws and maintain the penitentiaries. We are not vegetables, although some members may be. The people in our society are not vegetables. However, they believe that the inmates are so out of touch with society and its normal operations that they must be incarcerated for the sake of society. As members of parliament, we have an obligation to ensure that our institutions get those incarcerated back into society as quickly as possible. On their release they must be able to function properly and maintain themselves.

We have seen the birth of the National Parole Board as well as amendments to it. Members who were not here the last time more people were appointed to the parole board should look at the four who were appointed at that time. They may be very surprised. A number of members of parliament defeated in an election were appointed to the board. The same may happen this time. That may not be all bad, but surely the parole board should not be a pension plan for former members of parliament.

The parole board must be responsive to changes in society. The board does a number of things that are not related. The 1973 statistics indicate there are 7,800 inmates in our federal penitentiaries. If we look at 50 per cent of those each year, it is not a large number although it is in excess of the applications made for parole. The board also considers paroles for those in provincial jails.

Under an act of parliament which was passed recently, a person with a criminal record may be able to obtain a pardon if it can be established that he has lived an acceptable life in his community. The criminal record can be eliminated. This, too, has to be done by the parole board. The board's duties also include the granting of partial driving privileges to those whose licences have been suspended as a result of motoring offences.

● (2140)

I have always been disturbed by the relationship of the parole board to the press. The hon. member who spoke before me indicated that a number of mistakes had been made by the board. It is easy to highlight such cases because these mistakes become newspaper stories which are carried across the land. It is not surprising that the board has become a politically conscious body engaged in watching the trend of newspaper reports over the years. To realize this one has only to watch the trend of newspaper reports and the fluctuation in the number of paroles granted over the years.

My hon. friend from Skeena (Mr. Howard) pointed out that over the years the percentage of persons committing second and third offences has been steady. This is why I recently asked the Solicitor General (Mr. Allmand), bearing in mind the overcrowding in our penitentiaries, to make use of the royal prerogative to grant pardons. Her Majesty has, on occasion, decided when visiting a country to reduce prison sentences by six months. I believe that if we were to let out half the prisoners confined in our penitentiaries today, all the mistakes mentioned by the hon. member for Calgary North would be apparent, but they would not be present to any greater extent than if the parole board has allowed them to be at liberty; the percentage would remain the same.

I have often felt that one of the greatest offences is the lack of legal protection available to the poor. Indeed, there is very little available for the middle-class. However, a person who is very wealthy in this country can commit murder without serving time for doing so. We often see people accused of crimes, young people in particular, being defended by persons who are not qualified to defend them. I have in mind a number of cases in which the greatest offence committed was committed by the legal system of Canada.

The Solicitor General referred to the practice of granting back-to-back day leaves, and the hon. member for Calgary North criticized this practice as being wrong. I disagree. I believe the people who have the best understanding of the mental condition of an inmate are those who are engaged in the institution in other than a custodial capacity, those who have the opportunity to talk with a prisoner periodically. It seems to me that a recommendation by such people is certainly as valuable as that of any other when it comes to ensuring protection.

My hon. friend from Skeena said the 15-minute interview granted by parole boards is not enough to serve as the basis of a judgment that can be relied upon. I have read some of the presentations made before these boards and listened to others. They have been well rehearsed. On various occasions I have talked to the inmates concerned and wondered how they had acquired the knowledge and the ability to make them. As far as I am concerned, these back-to-back leaves fulfil a need. I do not think the penitentiary staffs would have introduced this scheme if the parole board had been doing its job.

I know from personal experience that many young people are in our penitentiaries. It is not so easy to deal with older prisoners, but in the case of young people there comes a time when they make a decision about their future, whether it is on religious grounds, moral grounds or simply the practical ground that they do not wish to spend the rest of their lives in and out of prison. When

these young people decide they must do something about their lives, that is the time for parole.

I have not been impressed by the parole board or with its leadership. I think the board has been operating under Parkinson's Law, as have other branches of government. I would prefer the new members of these boards to be professional people rather than full-time civil servants. At least half of them might well be correctional officers with experience of the penitentiary system, people who have been closely connected with inmates of penitentiaries over a long period of time during which they have gained knowledge of all the ways in which people can be "conned", and acquired experience which enables them to sort out the sincere applicants from the confidence men. I am sure they would be useful on the board.

I should also like the minister to give some consideration to separating the board's responsbilities. I do not believe we should mix up the parole structure of our penitentiaries with the act we passed very recently which allows for wiping out the record of persons who have been living in a community and have been of good behaviour for a period in excess of five years. I think this is a field which is quite different to that of parole. I know it is classed as a pardon, but it is a pardon in a different sense.

I am sure one would have to agree that pardons should be taken out of the operation of the board and that they should be granted in a distinctly different way. This is often done by the minister at his own discretion. In that case, the machinery operates at that level rather than at the level of the parole board. In respect of the wiping out of criminal records, it is necessary that investigations be carried on in the community. An application must be made in the first instance, supported by guarantors, character witnesses, and so on. This is often upsetting to the community. I do not think it should be connected with the parole board; it should not be the responsibility of the board.

I believe we should also set up an administrative body to rule on other matters which are referred to the parole board now but are mainly in the provincial field. I refer to problems in respect of privileges taken from people, including the privilege of driving an automobile. I also refer to the many requests which come to the parole board every day asking that people have these privileges restored to them at least on a very limited basis during the course of their employment. I think those two major categories should be separated from the activities of the parole board. I do not agree with the previous speaker who believes the parole board should be totally responsible for all things which under all circumstances take place within the penitentiary service.

I remember an occasion when a senior official, not many years ago, gave consideration to a young person who had committed a brutal crime, one certainly as wanton as that mentioned by the previous speaker. Yet this young person was given the advantage of returning to school. Eventually he was allowed to attend day courses at Queen's University. He had been convicted of murder, sentenced and the sentence was commuted. However, that young person came out in four or five years and I do not imagine parliament will ever hear of him again. My guess is that there is less likelihood of his committing a second murder than there is that any average person walking on Wellington Street tonight would commit a murder.

I think we should remember that although there have been bad cases, there have been many good cases. The minister and his department, in the course of the development of the parole system, have determined that it should be made mandatory that persons convicted and sentenced to jail for murder be given a sentence of ten years. This is not something that was done by parliament; it was done by a regulation under the Penitentiary Act. Then the minister comes back to this house—the same minister—and suggests that we should also add to those ten years the right of a judge to sentence the young person to an additional ten years, making it mandatory that he remain in the penitentiary for a total of 20 years.

I believe in the abolition of the death penalty, but I seriously question whether I believe in the abolition of the death penalty if it means that a person may be placed in jail and given a mandatory sentence, under the regulations in respect of the Penitentiary Service, of 20 years. I think a much more humane sentence would be to eliminate that person, rather than keep him in jail for a mandatory 20 years. Yet that is what this minister, who professes to speak very liberally about the problems of the Penitentiary Service, would do. He has made many stirring speeches on this subject, but the facts do not bear out his words.

I suggest, in relation to the minister's demand for the establishment of an extra ten ad hoc members to join what has become a very permanent group in the parole structure, that he is only agreeing with the chairman of the parole board that it is better to have a structure of 19 senior officials than a structure of nine. If the minister is sincere in his desire to change the parole structure, then in my opinion it is his responsibility, if it is our belief that the members of the parole board should visit the penitentiaries to see and hear the people on a regular basis, to see that this provision is written into the act and that it is not a decision of Mr. Street. He should not be in a position to decide that he wants to have all the people here so that he can look at them.

I suggest to the minister that he should look at the persons who are and have been members of the parole board. I notice that one person who was probably the strongest and most capable member of the board is no longer with the board. It should be the responsibility of the minister to look into some of these matters. I suggest that in making appointments to the board, the minister should remember what I am sure many members of this House understand the parole board was originally set up to do, what it is doing today and what it has done over the last few years.

Mr. Speaker, may I call it ten o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

● (2200)

[*Translation*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

ROYAL CANADIAN MOUNTED POLICE—INQUIRY AS TO INFORMATION GIVEN PROVINCIAL GOVERNMENTS ON CABINET MINISTERS

Mr. René Matte (Champlain): Mr. Speaker, on September 11 last, I put to the right hon. Prime Minister a question of the greatest general importance if not the most extraordinary importance, to my mind, since it dealt with the integrity and honesty of the members of provincial governments throughout Canada. In fact, I asked the right hon. Prime Minister whether he could indicate to the House what policy he follows in advising his colleagues, the provincial premiers, when the government or he, through the Solicitor General or the RCMP, is advised of certain facts relating to the actions of members of a provincial government.

Of course, the intent of this general question was to allow the members of the House and, at the same time, all the people of Canada to be aware of the procedure when special information is available, when such information could reveal the existence of compromising situations for those who are entrusted with the management of a province.

In my opinion, the subject itself proves the importance of this question.

Mr. Speaker, I went on asking a very definite question, at that time, when I asked and I quote:

In October 1970, was the Prime Minister aware—

—of a certain joint investigation carried out in the province of Quebec by the Royal Canadian Mounted Police and the Quebec Provincial Police about certain meetings of the former minister in the Bourassa cabinet, Pierre Laporte, with some people who are now involved in the organized crime world?

Why should we know these particulars? In my opinion, Mr. Speaker, in this particular case, it was extremely important for us to get this information. We remember sadly the events of October 1970 in Quebec. At that time, not only the government, but parliament, agreed, for example, to apply war measures, to pass a special emergency measures act and facts have proved since then that only a handfull of people were involved. A few individuals had succeeded in scaring the government in creating fear and even panic not only in Quebec but throughout Canada.

If at the time when the government had to determine the fate of one person named Pierre Laporte it was aware of certain actions which could be called compromising, we can wonder if the decisions that it made could have been influenced by this situation.

I believe that we should know what the policy of the leader of the Canadian government is in such a situation. Is it his duty, as soon as he knows of compromising facts, to advise those concerned of the situation in order to protect the population of Canada since, whatever province you may be from, it is extremely important to be able to rely on the integrity to those who control the administration of the country?

This is why I asked my question, Mr. Speaker, and in my opinion it has some historical consequences since sooner or later some disclosures will be made to that effect and I am referring more especially to what I read in the press some fifteen days ago in connection with Paul Rose, accused of the murder of Pierre Laporte and from whom the RCMP is supposed to have removed some handwritten documents in which he had described the various stages of the unfortunate events of October 1970. We are wondering what the government had to conceal and that is why I think the Prime Minister—

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

[*English*]

Hon. Warren Allmand (Solicitor General): Mr. Speaker, in answer to the hon. member I would like to say that the RCMP does indeed co-operate very closely with all other police forces in Canada. The range and scope of this co-operation is very broad indeed, covering as it does all aspects of crime prevention and detection. This free and uninterrupted flow of information between policing agencies is integral to the over-all effectiveness of police operations. However, much of that information must, as I am sure the hon. member will agree, remain confidential.

I think that every member of the House can appreciate the fact that questions raised in this House relating to any police investigation are extremely delicate and often can play no positive role in assisting our police forces to carry out their very important and difficult functions. I would therefore conclude that as a general rule it would be improper for me to divulge the details of any given investigation conducted either by the RCMP alone or in co-operation with other policing agencies in Canada.

ENERGY—REPRESENTATIONS TO UNITED STATES RESPECTING PROPOSED MOVEMENT OF OIL BY SUPERTANKER TO CHERRY POINT AND ALTERNATIVE CANADIAN SUPPLY

Mr. John A. Fraser (Vancouver South): Mr. Speaker, on September 18, in questions to the Prime Minister (Mr. Trudeau) which he refused to answer by leaving them to be answered by the Secretary of State for External Affairs (Mr. Sharp), I asked the government to make a statement on motions setting out in detail the Canadian proposal with respect to the movement of oil to Cherry Point, keeping tankers out of the area, and to give the House an assurance that such a proposal will be immediately communicated to the United States government. I ended with the words:

—because nobody believes any longer that the government cares what happens on the west coast?

One can ask: Why do people believe that this government no longer cares what happens on the west coast? The answer is to be found in cabinet document No. 1214/71 which shows that as early as 1971 the Canadian government had decided to do nothing. This is abundantly clear

when you look at the options in that document. First of all, on page 2 of the document the problem is set out. The first subparagraph reads:

(i) because U.S. interests are using Canada's present neutral position to increase support for TAPS,

(ii) because there is a wide spectrum of opinion in Canada regarding the advantages and disadvantages of an alternative route through Canada, and

(iii) because there is little time left for Canada to influence the choice of route instead of having to respond to a U.S. initiative.

The question is: Did Canada try to influence the choice of route? And the answer is clearly no. The evidence is further found in this document to which I have referred. If one looks at page 4, paragraph 11 of that document, the fact is that on March 24 1971, the hon. J. J. Greene and the hon. Jean Chrétien met with the presidents of oil companies interested in the TAPS line. They made it clear they were not going to apply to Canada to build an oil line across Canada. This was also made clear at the briefing for parliamentarians who went to Washington in July to make one last-ditch stand on the matter.

● (2210)

Further on page 6 it is again made clear why the government did not want to interfere, because in paragraph 17 on that page it is stated:

A pipe line route will traverse lands covered by Indian Treaties 8 and 11. Specific provisions relative to the land entitlement aspects of these treaties have never been fulfilled—

This is a clear admission by the Canadian government that the provisions of these treaties have not been fulfilled. Then we look at the alternatives. Again on page 6 of that document we find:

These alternatives range from the present essentially passive role—of awaiting any application that might be made and doing nothing more than to continue technical discussions with representatives of the U.S. oil companies on the possible construction of a pipeline through Canada—to a very active role of seeking an application and offering special incentives to encourage it.

The Canadian government knew the difficulty we were in, because in paragraph 25 on page 8 we read these words:

Recent reports in the U.S. press attribute statements by U.S. government and oil industry officials to the effect that they had written off a Canadian route as an alternative to a trans-Alaska route because of lack of Canadian interest in a trans-Canadian oil pipeline.

Then we see three options set out. The first is:

Maintain the present position which involves no active encouragement of a pipeline—

Paragraph (a) concludes:

Conversely, this alternative would not escalate the native claims issue.

Then there is paragraph (b) which literally says the same thing, but this is the pretend or pretence paragraph. It says we should pretend we are interested. It says we should pretend to keep our options open by saying we will consider all options. Then there is paragraph (c), where we read:

Take a position of actively promoting the use of a Canadian route... This option could reduce Canada's bargaining position relative to a natural gas pipeline from Alaska, as well as the oil pipeline, and in general bring on the disadvantages of being too aggressive... This option could also be expected to escalate the native claims issue.

[Mr. Fraser.]

It is quite clear that as long ago as 1971 the government had no intention to try to use any influence it had to keep tankers off the west coast. It did not want to deal with native Indian claims and it did not want to reduce its bargaining position with respect to a natural gas pipeline, which is all it was interested in.

In June, the United States gave us one last chance. We gave them our answer one day before the U.S. Senate was to vote on the issue. The history of this matter makes us look incredible to the United States. The present so-called Canadian policy of supplying Canadian oil to Cherry Point to get rid of tankers, as stated by the Prime Minister on September 11, is ludicrous if we are to have the pipeline to Montreal, as just announced by the government, because we will not have any oil to sell to the United States.

This is the policy that the Secretary of State for External Affairs (Mr. Sharp) is taking to Mr. Kissinger on Tuesday next. The laughter in Washington will be so loud that the Secretary of State for External Affairs will not get a word in edgewise and, tragically for Canada, it will serve him right because he really does not have anything to say. It is all a wretched charade. It is the dismal and inevitable result of deception and incompetence over the last three years.

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, contrary to what the hon. member for Vancouver South (Mr. Fraser) has mentioned—because it is quite easy for a member of the opposition to make a lot of statements in a case like this—the Canadian government is concerned about the risk to the environment entailed in the passage of supertankers through the Strait of Juan de Fuca to Puget Sound. This has been made abundantly clear on a number of occasions over the past two years or more in communications to the United States government, both written and verbal, including communications by ministers to their counterparts, and also in a number of public statements.

Canada would have preferred an overland pipeline route through this country. However, in view of current action by the U.S. Congress it is now likely that the trans-Alaska pipeline, with its Maritime link, will be constructed. When the final legal impediments are lifted, probably some time this year, it will of course be some years yet before the oil actually begins to flow.

Canada cannot prevent the construction of the Alaska pipeline since it is entirely within United States territory. We also know that most of the oil produced in Alaska will be shipped to various ports on the U.S. west coast by very large vessels travelling well out to sea. Provided these vessels are constructed and managed in accordance with the highest safety standards—and the United States has a good record in this regard—there is no reason why Canada should be unduly concerned about this high seas traffic.

Our most serious concern is with those tankers which will enter the Strait of Juan de Fuca to supply the refineries in Puget Sound. Canada is unable unilaterally to stop this traffic. We must therefore seek to influence the United States either to supply these refineries by some

other means or, if that is impossible, to manage and control the tanker traffic in such a way as to reduce risk to an absolute minimum.

One proposal has been to supply all the needs of these refineries overland from Canada via the transmountain pipeline from Alberta. Indeed, at the present time over 80 per cent of the oil delivered to these refineries comes through this route. The rest already comes by small tanker. This proposal has recently been rejected by Mr. Rogers Morton, in a letter to the United States Congress, in view of what the United States regards as the uncertainties of this source of supply and their apparent desire that Canadian oil available for export should be directed as a first priority to the mid-west.

We can foresee, therefore, that the United States would not find our conditions for the supply of oil to Puget Sound acceptable, since Canada would obviously only authorize export of oil surplus to Canadian needs and would not be able to satisfy all United States requirements in both Puget Sound and the mid-west. We are, therefore, considering all appropriate actions to minimize the risk to the environment in the event that the only option left open is a certain amount of supertanker traffic into Puget Sound.

There are four ways of attacking this problem.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. parliamentary secretary, but the time allotted to him has expired. The hon. member for Nickel Belt (Mr. Rodriguez).

EXTERNAL AFFAIRS—GOVERNMENT POSITION ON RECOGNITION OF NEW GOVERNMENT OF CHILE

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, yesterday in this House I asked the Secretary of State for External Affairs (Mr. Sharp) if he would consider withholding recognition of the military guerrilla junta in Chile for as long as Canada withheld recognition of the People's Republic of China. I received a non-answer.

When I became a Canadian citizen in 1967, I remember that I received a copy of the proclamation of the Canadian Bill of Rights, the closing passage of which always struck me as most memorable. I taught it to my students over the 15 years that I taught in elementary schools in Ontario because it embodies everything that Canada stands for. It bears repeating because I think members may not have seen it or have read it. It goes something like this: I am a Canadian, a free Canadian; free to speak without fear; free to worship God in my own way; free to stand for what I think right; free to oppose what I believe wrong; free to choose those who shall govern my country. This heritage of freedom I pledge to uphold for myself and all mankind.

Mr. Speaker, two weeks ago a military guerrilla junta led by General Pinochet decided that for the good of the Chilean people, the government which they had elected democratically had to be removed, the constitution had to be suspended and civil and human rights of all citizens had to be thrown out the window. All the things we pledged to uphold for ourselves and all mankind have been denied in Chile.

The government should not recognize the military thugs who represent everything we oppose as a nation. The only condition for relationships with this junta is the immediate restoration of the constitution and civil and human liberties of the Chilean people. We have heard much of the so-called failure of Salvador Allende in Chile. On the other hand, we know that in 1970 he was elected with 36.5 per cent of the popular vote, and in 1972 he received 43 per cent of the popular vote.

I say that Allende did not fail. Perhaps every Chilean did not have a car in his garage or a colour television. Some of them did not have much to eat or much to spend. But President Salvador Allende gave them something that they will never get from their military dictators—he gave them an opportunity to participate in the decisions that affect their lives, and the hope for a democratic future. There are those in this House who probably would not understand what those things can mean to people. There are perhaps those who do not understand how people can tighten their belts and hang in for the promise of a better future. Salvador Allende demonstrated eloquently, if tragically, a measure of the dedication and perseverance of which I am speaking.

● (2220)

And let us not be naïve. The option of militaristic violence was as available to Allende as it was to those who caused his death. But he chose not to use it, and this is a time when many must regret that he did not. But I do not regret it, Mr. Speaker, for if Allende is dead, he left us his principles, his beliefs and his hopes intact.

I have heard no eulogy in this House for Salvador Allende, Mr. Speaker, and I wish I had. It is difficult to believe that no tribute has been paid this brave man, that the mouths of the government and the official opposition have been so assiduously clamped shut. One wonders at the sincerity of the government and the official opposition, who in our recent rail strike in this country had much to say about the upholding of democracy and the sanctity of the voice of the people and who turned their backs when that voice was so dramatically and violently silenced in Chile. This is hypocrisy of a nature which is demeaning to the name of our country.

President Allende died showing great courage in the face of adversity. He died dedicated to improving the social and economic well-being of his people, and with greater respect for the democratic institutions embodied in his country's constitution than any person about whom I have read in the last 50 years or so. This brave man died under heroic circumstances. The true story may never be known, and it is only natural and just that his eulogy in this House should come from a son of South America.

May the light of freedom which he struck in that sleeping continent to the south give us, Canadians, the courage to say no to General Pinochet and company, and may the Chileans always let his memory be a beacon for them. Viva Allende! Viva Chile!

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Prime Minister (Mr. Trudeau) and the Secretary of State for External Affairs (Mr. Sharp) have repeatedly expressed our feel-

HOUSE OF COMMONS

Friday, September 21, 1973

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGES AND ELECTIONS

Second report of Standing Committee on Privileges and Elections—Mr. Stewart (Okanagan-Kootenay).

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

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WAYS AND MEANS

TABLING OF MOTION TO AMEND EXCISE TAX ACT

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, on behalf of the Minister of Finance (Mr. Turner), and pursuant to Standing Order 60(1), I am now tabling notice of a ways and means motion.

* * *

HOUSE OF COMMONS

MOTION FOR ADJOURNMENT UNTIL OCTOBER 15, 1973

On the order: Motions:

September 19, 1973—The Minister of Justice:

That, when the House adjourns this day, it shall stand adjourned until October 15, 1973, provided that at any time prior to that date, if it appears to the satisfaction of Mr. Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Mr. Speaker being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for all purposes of this order.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I would propose today to move the motion standing in my name, but if it is agreeable to hon. members and there is consent I would be glad to have the opportunity to move it after the question period rather than at this moment.

Mr. Baldwin: We would be glad to give effect to this suggestion, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Agreed.

Some hon. Members: Agreed.

Mr. Speaker: The hon. Minister of Agriculture.

An hon. Member: The campaign starts today!

An hon. Member: In what capacity is he speaking?

An hon. Member: Here comes the leader.

* * *

AGRICULTURE

ANNOUNCEMENT OF RESTORATION OF TARIFF ON CATTLE AND BEEF IMPORTED FROM UNITED STATES

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I wish to announce—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

An hon. Member: Declare your intention.

Mr. Whelan: —that the tariff on cattle and beef removed in the budget last February is being restored effective midnight tonight.

Some hon. Members: Hear, hear!

Mr. Whelan: You will recall that the amendments to the customs tariff approved by parliament provided for restoration of any of the tariff changes where it was determined that hardship could be demonstrated. There has been considerable distortion in the cattle and beef markets caused by the earlier United States action on prices which led to the holdback of supplies in that country. The significant movement of cattle and beef to Canada in recent weeks has brought beef prices down significantly and cattlemen are uncertain about future production potential.

In the interests of continuing beef production in Canada at a level adequate for our needs and our export opportunities confidence must be restored, and this action is in keeping with that objective. This action will be in the long-term interest of consumers and is consistent with the government's announced objective to increase the supply of food in Canada through increased producer confidence and other appropriate measures.

It should be noted that there are tariffs on cattle and beef entering the United States. Should the United States administration consider removing their tariffs on these items, we would of course review the situation.

Mr. H. W. Danforth (Kent Essex): Mr. Speaker, in replying on short notice to the announcement made by the minister in the House this morning, I must say that mem-

bers on this side are not surprised at the announcement which comes after weeks of continual pressure by the beef producing industry and members of the opposition parties because of the tremendous hardships that were caused the beef producing industry by the removal of the tariff. The removal of the tariff was a part of the policy of the government in its endeavour to reduce the prices of staple foods to consumers in this country. But, Mr. Speaker, we in this party knew, as did all members of the House and the producers, that the removal of the tariff would not cause prices to drop at the consumer level. Unfortunately, we have been proved to be correct in this assumption.

Some hon. Members: Hear, hear!

Mr. Danforth: The indiscriminate removal of the tariff by the government, through the Minister of Finance (Mr. Turner), brought about the chaotic conditions that exist in the industry today. We welcome the announcement by the minister of the restoration of the tariff on beef imported from the United States.

● (1110)

We are surprised that the government did not press more strongly for reciprocal action by the United States. The minister said this morning that if the American government is disposed to consult with him on an agreement to lower the tariffs of the two countries, the government would be interested. Just a few months ago the government was not at all interested; it was interested only in reducing the tariff on beef coming into this country. The precipitate action taken at that time played havoc among the primary producers. We must have a stable agricultural industry if we expect the primary producers to produce the food that Canadians need so much at this time.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, my colleague beside me says that I had better remember that I am a consumer. I remember that when I am in a supermarket. The most significant part of the minister's statement this morning is that part saying that it is essential to restore confidence to the beef industry. The government's precipitate and unilateral action in the matter of the tariff destroyed, in the first place, the confidence that existed in the beef industry. That is a reflection on the action of the government. Whether there was an attempt by the government to achieve reciprocal action by the United States and how strong that attempt was we have no way of knowing because we have not had a full report on the matter to the House.

The same remarks hold true with respect to the blocking of exports of beef to the United States for a period. Again, this action caught the ordinary producer at a bad time. It interrupted deliveries and reduced the price to beef producer. Only now are they beginning to assess the situation in which they find themselves.

We also have a new feed grains policy which is certainly going to have an adverse effect on beef and meat production in western Canada. The full effects of that policy were not considered and measured before it was put into effect.

I certainly agree with the previous speaker that our prime objective should be adequate supplies of food for the consumer. We will only achieve that if the producer has confidence in the future of his industry and feels he can safely invest the money necessary to produce the food that Canadians need. If the statement made today indicates that this fact has at last come home to the government, that the Minister of Agriculture, (Mr. Whelan) is aware of it, then I think he should stay in this House and not go to Ontario. If he is still not aware of it, then the sooner he goes to Ontario the better.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, once again, I have to make some unpleasant remarks. I am sorry to have to do so because I much prefer to pay compliments. I am astounded to find that in spite of all the efforts made in this House to try to implement the principle of bilingualism, it is only by accident that we can obtain bilingual statements. With the little knowledge of English I possess, I have been compelled to try to understand as quickly as possible the contents of the minister's statement. I am asking, once more, that efforts be made to respect the bilingual character of this forum if we want the whole of the country to respect the principle of bilingualism.

Mr. Speaker, I would like to say, about the statement just made by the minister that consumers are very worried about the increase in food prices. Even this morning, before coming to the House, I had a telephone call asking me what steps were being considered by the government to allow consumers to supply themselves at prices corresponding to their income. I had to say that, in the first place, I was opposed to a price freeze because this would not benefit low or middle income families.

I experienced this during the 1939-45 war. I still have my rationing book and I know that, then, those who had money could purchase on the black market anything at any price. They did not deprive themselves, but the small earners were forced to use the infamous rationing coupons. Mr. Speaker, small people were rationed before the war because there was no money, then they were rationed during the war because they had money. They are always rationed.

Here is my suggestion: That means be taken, at any one of the government levels, to transform our fodder plants and our grains that we can produce in very great quantities, in our country, into foods of all kinds: beef meat, pork meat, fowl meat or eggs.

This would allow grain producers to find a profitable domestic market and, at the same time, the greatest possible number of individuals could be employed to process those grains into food for Canadian consumers. We should certainly take temporary measures, but above all I think that we should take long term measures to provide in the years to come a sufficient production to meet the needs of the public and this at decent prices for families with low and average incomes.

[*English*]

Mr. Whelan: Mr. Speaker, I rise on a point of order. I apologize to the hon. member for Bellechasse (Mr. Lambert) for not having copies of the statement in both official languages. That was not my intention. I felt that because the topic was so urgent it was necessary to make the announcement in the House while the House was still

in session. The French copies were not quite ready when I entered the House. I apologize to the hon. member.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker—

Mr. Speaker: I think that the hon. member for Bellechasse is rising on a point of order.

Mr. Lambert (Bellechasse): Mr. Speaker, in connection with the point of order raised by the Minister of Agriculture (Mr. Whelan), I would like to say that my remarks were not spiteful. However, since they were necessary and that it is possible in Canada to have qualified translators, I hope that from now on steps will be taken so that copies of important statements will be at least available in both official languages when they are made in the House.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

BANNING OF GAELIC RADIO PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I rise at this time to seek unanimous consent of the House to move a motion under Standing Order 43. I feel certain all members of the House, regardless of their political affiliation, will wish to support this motion.

An action was taken recently by the CBC that shook the foundations of culture in Nova Scotia to their very roots. That action was the announcement in the form of an edict by Lister Sinclair, a vice-president of the CBC, banning the Gaelic language from a weekly radio entertainment program in Cape Breton.

Some hon. Members: Shame!

• (1120)

Mr. Muir: Surely, Sir, you can appreciate the dangers inherent in such a decision. I would not like to see clan warfare between the MacEachens and the Sinclairs or any other Scots at this stage in international affairs. I urge all members to lend me their support in getting this program reinstated in its original form. I therefore move, seconded by the hon. member for Cape Breton-East Richmond (Mr. MacInnis), that this matter be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

May I say, before resuming my seat, I regret that the President of Privy Council, a noted scholar in the Gaelic language, culture and folklore, is not present in the chamber because I am sure he would wish to second this motion.

Some hon. Members: Hear, hear!

Mr. Speaker: This motion, put forward under the terms of Standing Order 43, requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: I believe there is unanimous consent. I am not sure whether I can find the motion in the hon. member's statement. It may be in Gaelic somewhere.

Some hon. Members: Oh, oh!

Mr. Speaker: However, hon. members have heard the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

INDUSTRY

PRICE INCREASE BY FORD OF CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I hope we shall achieve the same degree of unanimity with regard to this motion which is also put forward under the terms of Standing Order 43. The matter of urgent and pressing importance arises from the revelation today that the average increase of $139 in the price of 1974 cars produced by Ford of Canada exceeds the increase for the same products sold in the United States. This is inflationary. But more to the point, this action further increases the unjustified spread between United States and Canadian car prices and completely violates the commitment made by that company to the Minister of Industry, Trade and Commerce.

Mr. Speaker: Order, please. I assume the hon. member is coming to the motion.

Mr. Broadbent: Right now, Mr. Speaker. I therefore move, seconded by the hon. member for Toronto-Lakeshore (Mr. Grier):

That this House instruct the Minister of Industry, Trade and Commerce to call to Ottawa forthwith the President of Ford of Canada for the purpose of instructing him to roll back the announced price increases.

Some hon. Members: Hear, hear!

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

ENERGY

ACTION TO ASSURE BRITISH COLUMBIA CONSUMERS OF SUFFICIENT NATURAL GAS THIS WINTER

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources following the exchange a few days ago about the announcement by West Coast Transmission that gas supplies for British Columbia at peak periods would be cut by perhaps 10 per cent this winter, and the assurance by the minister that he would look into this situation. Can the minister tell us whether he has been in touch with the National Energy Board and whether the possibility of this cutback in supplies to the gas consumers of British Columbia this winter has now been eliminated?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker. The board had a meeting yesterday to discuss this question. I have been advised that at the moment the board has not received all relevant data pertaining to the matter. The board did, however, indicate a certain degree of optimism that with the assistance of distributors and transmission companies it might prove possible to minimize the disruption which this accident in the field has caused.

Mr. Stanfield: Is there any real difficulty about this? Is there any reason that priority cannot be given to the gas consumers of British Columbia to this extent in preference to the export of gas through the same pipeline system?

Mr. Macdonald (Rosedale): Mr. Speaker, I expect to be in a better position to respond to that when the board in turn has all the relevant data. I hope to be able to satisfy my hon. friend and others on that as soon as possible.

APPOINTMENT OF CHAIRMAN OF NATIONAL ENERGY BOARD TO FILL VACANCY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I direct this question to the Prime Minister. In view of the lack of a chairman of the National Energy Board for some two months under very difficult conditions, may I ask the Prime Minister whether, since we are likely to adjourn, he can give the House the assurance that there will in fact be a chairman of this important board appointed by the government before the Prime Minister leaves the country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the minister replied yesterday to a similar question, we have been discussing this subject and hope to make an appointment relatively soon.

CO-OPERATION BETWEEN FEDERAL AND ALBERTA GOVERNMENTS ON POLICY MATTERS

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a related question for the Minister of Energy, Mines and Resources. In view of the letter to Premier Lougheed of Alberta which was tabled in the House on March 10, 1972, by the Minister of Energy, Mines and Resources stating in part that "it is of paramount importance that the relationship of the government of Canada to the government of Alberta in energy policy matters be one of co-operation and collaboration", I should like to ask the minister why that assurance was not honoured?

[Mr. Speaker.]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would respond to the hon. gentleman that, given the time constraint in which this decision had to be made, it was honoured to the best of our ability. In particular, with regard to the decision of the National Energy Board on September 12 concerning export of oil to the United States, we had really only a period of overnight to make that decision. We discussed it with the Alberta minister, who was present in Ottawa the following day, just as soon as the cabinet decision had been made.

Mr. Towers: Did the minister attempt to meet with the premier of Alberta on his recent visit to Alberta?

Mr. Macdonald (Rosedale): Mr. Speaker, I did see a report on the morning that I flew to Calgary to see the industry that the premier expected to see me. That report in the *Globe and Mail* turned out to be a mistake. The premier was on a political tour of Alberta. I do anticipate seeing a number of ministers probably during the first week of October.

ACTION TO ASSURE BRITISH COLUMBIA CONSUMERS OF SUFFICIENT NATURAL GAS THIS WINTER

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the minister dealing with gas supplies for the people of British Columbia. While it may be necessary for the minister and the National Energy Board to canvass the situation to see whether other sources of supply can be made available to British Columbians, I want to ask the minister whether he can give the assurance he has been asked to give, namely, that if other sources cannot be made available he will undertake to see to it that the supplies necessary to meet the needs of British Columbia customers are given priority over export to the United States.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think I should like to have all the facts of the situation before arriving at a final determination. As the board has indicated, it is not yet in a position to do so. Perhaps I can repeat the advice I received from the board, that it may prove possible to avoid or reduce to minimal porportions any adverse effects on consumers of gas served through the West Coast system. I hope that is so, but I shall be in a better position in a couple of days to respond more fully.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Nanaimo-Cowichan-The Islands on a supplementary, then the hon. member for Abitibi, followed by the hon. member for Calgary North, and then we will try to go to another subject.

Mr. Douglas: While accepting the minister's premise that it is hoped that some other sources can be found to prevent an adverse situation, it seems to me that the minister ought to be able to tell the House that if these other supplies cannot be found he can give the people of British Columbia the assurance that gas will not be exported in large quantities to the United States, some 62 per cent of the production, and leave the local customers in short supply?

● (1130)

Mr. Macdonald (Rosedale): Mr. Speaker, I might remind the hon. gentleman that at least some of the gas going to the United States is going to domestic consumers as opposed to industrial consumers, and I think we would want to think twice about leaving domestic consumers in the cold as opposed to people buying interruptable gas from British Columbia.

[*Translation*]

SUPPLY OF FUEL OIL IN EASTERN QUEBEC—DISCUSSION BETWEEN FEDERAL AND PROVINCIAL MINISTERS

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

Since the analysis on energy resources tabled by the minister a few weeks ago shows that, as far as eastern Quebec is concerned, stocks of heating fuel will last only 40 days, can the minister say whether, in the discussions he had recently with his Quebec counterpart, he has been assured that sufficient supplies will be obtained for the coming winter season?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, these talks were not on heating fuel, but on the assurance of supply for the Quebec market and for the rest of eastern Canada. The Quebec government and I think that this is a priority in our plans concerning the Canadian oil market.

[*English*]

REQUEST FOR ASSURANCE THAT JURISDICTION OF NATIONAL ENERGY BOARD WILL NOT BE REDUCED—APPOINTMENT OF NEW CHAIRMAN

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct my question to the right hon. Prime Minister. In spite of the fact the National Energy Board was implemented by the government of the right hon. member for Prince Albert—I might say it has done an excellent job within its jurisdiction of handling energy whether in reference to exports or domestic supply—will the Prime Minister assure the House and the country that he does not intend to bring in any legislation or use any political interference to cut down the jurisdiction of that board?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in respect of the first part of the question, I of course share the hon. member's feelings in congratulating the board on having done an excellent job. I am sure it will continue doing that kind of job regardless of what energy policy the government might want to bring before the House.

Mr. Woolliams: Mr. Speaker, in light of the fact the government has procrastinated and taken so long in appointing a new chairman of the board, will the Prime Minister assure the House and the country that the appointment will not be a political one, such as Mr. Pepin, but will be an independent appointment in order that the board can exercise its jurisdiction without government interference?

Mr. Trudeau: Mr. Speaker, I have not had occasion to consider the particular candidate to whom the hon. member refers but I will ask for information about this gentleman, and if he is the most competent person proposed I will perhaps consider appointing him.

Mr. Woolliams: And that will be another political appointment.

TAR SANDS OIL—POSSIBILITY OF GOVERNMENT CONTROL OF DEVELOPMENT—REQUEST FOR GENERAL POLICY STATEMENT

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources arising from statements he made on a television program last night. In view of the fact the western oil sands may be the major source of oil for Canada in the 1980s, is the government satisfied to allow 80 per cent control of the Athabasca development to remain in the hands of foreign corporations or is the government proposing to take steps to regain Canadian control either through the Canada Development Corporation or direct government involvement?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think I should say that while I have yet to receive, either from the government of Alberta or from the Syncrude Corporation, details of the project they are planning to put into effect, I recall from the premier's television statement that he was talking about 50 per cent ownership of the pipeline and some higher percentage ownership of the power facility. I think what I should like to do is to get more details about the project before I comment on it. I would have to say that we welcome this initiative and approach by the government of Alberta to try to represent the wider interests of Canadians in this kind of project. As to whether or not the detailed terms would meet that adequately, I would withhold comment until I have received some precise idea of what they are planning to do from either the government or the company.

Mr. Lewis: Mr. Speaker, in view of the fact that in the last number of weeks or months the government has made statements about various aspects of a national petroleum policy in bits and pieces, and in view of the new development by Syncrude in Alberta, may I ask whether the minister can assure the House that he will in a few weeks when parliament resumes, should it adjourn today, make a statement that will collect these various strands of policy he has thrown out in order that the House and the people

may know what the national energy policy of the government is?

Mr. Macdonald (Rosedale): Mr. Speaker, I will accept the suggestion and admonition of the hon. gentleman.

Mr. Speaker: Perhaps the hon. member for York South might be allowed to ask another supplementary question, but hon. members will have noted that we are still on the same subject. I would hope an attempt would be made by hon. members in co-operation with one another to ensure that some members in the back rows who have been trying to ask questions for some days will be given an opportunity to do so.

TAR SANDS OIL—APPLICATION OF FOREIGN INVESTMENT REVIEW LEGISLATION TO SYNCRUDE

Mr. David Lewis (York South): I want to ask a supplementary question of the Minister of Industry, Trade and Commerce. Is he or will he be studying the arrangements by Syncrude for the actual exploitation of the oil sands from the point of view of criteria now contained in the foreign investment review bill which has come out of the committee, and if he finds that the present bill does not cover the situation will he undertake to amend it so that this rather massive sellout of an important Canadian resource to foreign corporations can at least be screened?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Like my colleague, the Minister of Energy, Mines and Resources, Mr. Speaker, I look forward to getting details of the proposal. I certainly will be taking a look at the matter when I have those details.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

GRANT TO NEWSPAPER "LE SOLEIL"—POSSIBLE REIMBURSEMENT IN CASE OF SALE—REQUEST FOR INFORMATION ON AGREEMENT BETWEEN PARTIES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in the absence of the Minister of Regional Economic Expansion, I should like to direct my question to the right hon. Prime Minister.

Considering that the Quebec City newspaper *Le Soleil* has received a very substantial grant from the Department of Regional Economic Expansion, and considering that this newspaper was eventually sold to the Power Corporation cartel, could the Prime Minister tell the House whether the letter promising the grant contains a clause for compulsory reimbursement of the grant in the event the newspaper should be sold?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I should like to point out to the hon. member that the grant given to the newspaper *Le Soleil* was not necessarily for the newspaper itself, but for the entire operations, which include other things besides the newspaper itself.

[Mr. Lewis.]

Mr. Lambert (Bellechasse): Mr. Speaker, considering that I had specifically placed on the order paper a motion to obtain additional information, could the parliamentary secretary give more details about the contents of this agreement between the managers of the newspaper *Le Soleil* and the printing companies that have related businesses?

Mr. Speaker: I think that such detailed data should normally be given on motions. If the parliamentary secretary can reply briefly to the question, I shall recognize him, after which I shall recognize the right hon. member for Prince Albert.

Mr. Prud'homme: Very briefly, Mr. Speaker, I should like to refer the hon. member to the debates he and two of his colleagues, of whom the hon. member for Compton provoked. The reply we gave at that time is the same as that I could give today.

* * *

[*English*]

EXTERNAL AFFAIRS

POLLUTION OF SOURIS RIVER CAUSED BY DIVERSION PROJECT IN NORTH DAKOTA—REQUEST FOR REPRESENTATIONS BY GOVERNMENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Canadian Wildlife Federation, through its distinguished president, Mr. Orville Erickson, has communicated with the minister in connection with the Garrison diversion project in North Dakota which creates a serious pollution problem in the Souris River prior to its entry into Manitoba, a fact already admitted by the United States Bureau of Reclamation. Will the minister act immediately under the Boundary Waters Treaty Act and insist that the project be suspended until the pollution and other pertinent problems of a similar nature have been resolved?

● (1140)

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I can assure the right hon. gentleman I will give most serious attention to his representation.

* * *

IMMIGRATION

IMMIGRANT ADJUSTMENT PROGRAM—NUMBER REGISTERED—ENCOURAGEMENT OF REGISTRATION

Mr. Lincoln Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister responsible for immigration based on reports that registration under the last chance policy is poor. Can the minister bring us up to date on the actual number of registrations and what specific programs he has to encourage these people to register? It seems to me we cannot afford mass deportations on October 15. What plans has the minister in this regard?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I do not subscribe to the idea that it is going poorly. I think it is going positively. We have 32,251 persons on behalf of whom registrations have been made. The processing of the interviews is proceeding with dispatch. We are taking special measures to provide landing quickly in order to establish clearly that there is no trap and that there are no hidden problems with regard to this program. I think our difficulty perhaps is that we do not have a benchmark against which to judge this in terms of quantity. There have been highly speculative rumours concerning the number of people in Canada to whom it might apply, but there is absolutely no statistical or actual basis to indicate that we have 50,000, 100,000 or what. I would appeal to all hon. members to publicize this program in their constituencies and help me to convince these people to take advantage of it before October 15. I agree with the hon. member that we want to avoid deportation orders, but we do intend to apply the law after October 15.

Mr. Alexander: Can the minister advise how many people have been given landed immigrant status since registration, and can he also advise whether in fact he will be setting up special medical teams in cities other than Toronto in order to process these applications quickly?

Mr. Andras: There have been 9,199 registrants who have been interviewed and 9,121 or 99.2 per cent of these have complied with the regulations and relaxed criteria under the immigrant adjustment program. That represents a very high rate of success. Even those who have not succeeded in being dealt in that way are under review because there is documentation or something else involved. The medical teams are being set up as quickly as possible to finalize medical examination which, as the hon. member knows, is a part of the processing.

IMMIGRANT ADJUSTMENT PROGRAM—POSITION OF INDIANS ALONG NEW BRUNSWICK-MAINE BORDER

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a supplementary or related question for the Minister of Manpower and Immigration. Is the minister aware of the concern and anxiety among native people in Indian communities along the New Brunswick-Maine border that his directive regarding visitors to Canada might be applied to them, with the result of splitting up families recognized by the Indian Act, and will the minister assure the House and these concerned native people that the October 15 deadline does not apply to them?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I am not fully aware of the circumstances to which the hon. member refers. Provided this does not involve a suggestion of recognition of the Jay Treaty, which is a very tricky situation, I most certainly will look into it and do everything possible to ensure that legitimate Canadian citizens in that area have nothing to fear.

FINANCE

INQUIRY AS TO PRESENTATION OF NEW BUDGET

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Prime Minister. In view of the fact the budget of last February has been modified and changed so often by a series of ad hoc measures, may we expect to have a new budget presented to the House very shortly?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take this by way of a representation which I will convey to the Minister of Finance as soon as he returns.

* * *

[*Translation*]

INDIAN AFFAIRS

DIFFICULTIES RESPECTING FISHING RIGHTS OF MICMACS AND MALISEETS IN NEW BRUNSWICK—PROPOSED MEASURES

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, I should like to put a question to the Minister of Indian Affairs and Northern Development.

In view of the growing feeling of frustration and alienation amongst the Indians on the east coast of Canada, particularly the Micmacs and Maliseets in New Brunswick, concerning their fishing rights, can the minister tell us whether he is willing, jointly with his colleague the Minister of Fisheries, to study the matter anew with a view to finding a solution as soon as possible?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I take due note of the hon. member's representations and will get in touch with my colleague, the Minister of Fisheries, to find a solution. The matter falls far more within his jurisdiction than my own, but I shall be pleased to make representations on behalf of the Micmac and Maliseet Indians.

* * *

[*English*]

AGRICULTURE

NUMBER OF UNITED STATES CATTLE IMPORTED INTO CANADA RECENTLY

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is addressed to the Minister of Agriculture. Since he was kind enough to tell us last spring of the flood of feeder cattle going into the United States, has he any figures on the flood of finished cattle that came into Canada in the last nine days?

Hon. E. F. Whelan (Minister of Agriculture): As of yesterday I think it was around 9,000 head. United States cattle moving into Toronto from the United States this week so far, Monday to Thursday, total about 7,000 head. Another 1,800 head have moved into Winnipeg. This week imports were just over 8,500 head.

Oral Questions

FINANCE

BANK LOANS TO ASSIST BUSINESSMEN IN FOREIGN COUNTRIES—GOVERNMENT ACTION IN LIGHT OF HIGH INTEREST RATES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Minister of Finance I should like to put a question to the Prime Minister. In view of the fact Canadian chartered banks are now lending over $1¼ billion in Canadian funds to help businessmen in foreign countries and that this figure has gone up 13 per cent in the past reported week alone, what steps does the government intend to take to reverse this trend which is contributing to our present all-time high bank interest rates?

Right Hon. P. E. Trudeau (Prime Minister): Those are fascinating statistics. I will make sure they are drawn to the attention of the Department of Finance.

Mr. Stevens: Mr. Speaker, perhaps I might put another question to the Prime Minister. With mortgage interest rates in Canada now over 10 per cent compared with 8 per cent in the United States, do I take it from the Prime Minister's comment that the government in fact has no agreement with the Canadian banks to stop such a flow of Canadian funds?

Mr. Trudeau: No, Mr. Speaker. If the member takes it that way, he is mistaken.

Mr. Speaker: The hon. member for Oshawa-Whitby. Order, please. I will recognize the hon. member for York-Simcoe, but I wonder whether we should have two or three supplementaries on every question asked. I think hon. members should be prepared as much as possible to ask questions and supplementaries in co-operation with other members. Perhaps they ought not go beyond that. The hon. member wishes to ask a third supplementary question. He will be recognized, after which I will recognize the hon. member for Oshawa-Whitby and the hon. member for Joliette.

Mr. Stevens: Thank you, Mr. Speaker. In view of the statement by the Minister of Finance on September 14 that the banks have agreed to disburse mortgage funds at no margin over their cost of funds, would the Prime Minister indicate what volume of mortgage funds the banks have so agreed to put out?

Mr. Trudeau: Mr. Speaker, I can only take note of the question. It is statistical in nature. I assure the hon. member we will look for the answer to it.

* * *

INDUSTRY

PRICE INCREASE BY FORD ON 1974 CARS—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the fact the minister assured the House in March of this year that there will be a significant reduction in the price differential in the pricing of 1974 model year cars and that he made this assertion following a commitment to him made by the head of the Ford Motor Company as well as others, I ask the minister, in view of the revelation today that the price increase on Ford products in Canada will exceed the increase in the United States, whether he was informed of this by the head of the Ford Motor Company and, if so, what action he took upon receiving that information?

[Mr. Whelan.]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, the Ford Motor Company has been in touch with my department. We have been advised by the company that the prices of cars will increase on average by $139 in Canada made up of $68 for mandatory equipment and $71 for optional equipment being made standard. The amount of the increase for mandatory equipment is slightly less than that in the United States and reflects the difference in the safety legislation of the two countries.

Mr. Broadbent: Mr. Speaker, in view of the fact that answer simply obfuscates the question totally, and in view of the fact the minister's admonitions to the companies have produced no results at all, would the minister consider removing the 15 per cent duty that Canadian consumers must now pay if they purchase cars in the United States in order to get some competition in that industry in Canada?

● (1150)

Mr. Gillespie: Mr. Speaker, if the hon. member has other evidence to the effect that what I have been told by the companies is untrue, I would ask him to bring that evidence forward and give it to me.

* * *

[*Translation*]

ENERGY

PROPOSED CONSTRUCTION OF SUPERTANKER PORT ON ST. LAWRENCE—GOVERNMENT POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources.

Following his Ottawa meeting with his Quebec counterpart last week, can the minister advise the House whether there was any mention of the Quebec construction project of a supertanker port? If so, I should like to know whether the minister or the government favours this project?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, this project was discussed in very broad terms. Following this meeting, the department officials will meet with their Quebec opposite numbers to discuss Quebec plans in connection with this project; then I shall be in a position to state our opinion more clearly concerning this project.

EFFECT OF PROPOSED EXTENSION OF OIL PIPELINE TO MONTREAL ON PRICES OF PETROLEUM PRODUCTS IN QUEBEC

Mr. Roch La Salle (Joliette): Mr. Speaker, believing that the projected west-east pipeline is feasible, I would

like to ask the hon. minister whether this would guarantee to Quebecers the availability of products at the same price as those currently obtained from foreign countries.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, a most important question is that of the price of supplies on the Quebec market. In addition to admitting the safety problem, we both agreed that the price of oil was one important aspect of the problem. But we have yet taken no final decision in this connection.

* * *

[*English*]

URBAN AFFAIRS

INQUIRY AS TO LEGISLATION TO PROVIDE FUNDS TO ASSIST MUNICIPALITIES IN RAILWAY TRACK REMOVAL OR REROUTING

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct a question to the Minister of State for Urban Affairs. In the Speech from the Throne the government stated it would be introducing legislation to make funds available to municipalities for removing or rerouting railway tracks. Does the government in fact intend to bring in this legislation, and will it have top priority in view of the fact that many municipalities are now preparing their budgets with this work in mind?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the legislation would actually stand in the name of my colleague, the Minister of Transport, because, as the hon. member knows, it deals with the railway grade crossing fund. On his behalf may I say I hope it will be introduced when the House reassembles if the motion to recess is passed today. I would also hope that House leaders of all parties would give it top priority so that it could be dealt with promptly.

* * *

AIR CANADA

POLICY RESPECTING PURCHASE OF AIRCRAFT WITH HIGH CANADIAN LABOUR INPUT

Mr. Ellwood Madill (Peel-Dufferin-Simcoe): Mr. Speaker, in the absence of the Minister of Transport I will direct my question to the Prime Minister. Has the government changed its policy of encouraging Air Canada to purchase aircraft which involve a high Canadian labour input?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take notice of the question on behalf of the Minister of Transport.

[*Translation*]

SOCIAL SECURITY

FAMILY ALLOWANCES—QUEBEC POSITION RESPECTING BILL C-211

Mr. Roland Godin (Portneuf): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

Can he tell the House whether the province of Quebec has stated its intention of prevailing itself of Bill C-211 which enables provinces to set their own level of family allowances?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the recent announcement by the Quebec government in connection with the projected family allowances program, which should be in force as of January 1, 1974, does take into account the bill currently before the House and it is mostly thanks to the provisions of this bill that Quebecers will be able to benefit from an excellent family allowances program.

* * *

[*English*]

AIR TRANSPORT

DECISION ON AIRPORT LANDING FEES FOR SMALL AIRCRAFT

Mr. J. R. Ellis (Hastings): Mr. Speaker, in the absence of the Minister of Transport I would like to ask his parliamentary secretary whether any firm decision has been arrived at yet with regard to the imposition of a $5 landing fee on aircraft under 12,000 pounds at major airports in Canada?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I will bring this question to the attention of the minister. In the meantime, I can assure the hon. member and the House that the matter is under consideration.

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VETERANS AFFAIRS

EFFECT OF OLD AGE PENSION INCREASE ON WAR VETERANS ALLOWANCES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. Since the House may recess today I wonder if he can tell us whether the cabinet or Treasury Board has made a decision with regard to exempting from war veterans allowances the recent increase in the old age pension indexing of $5.16?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, in answer to the hon. member's question I am pleased to inform the House that an order in council has been passed allowing the additional payment in war veterans allowance recipients' cheques in October and also in civilian war allowance recipients' cheques in October.

Some hon. Members: Hear, hear!

Mr. Marshall: Was consideration also given to war veterans allowance recipients who are getting a partial disability pension, and will the recent increase in the disability pension be exempt from war veterans allowance cheques?

Mr. MacDonald (Cardigan): Mr. Speaker, this is something I am working on for the next time parliament sits.

* * *

INDUSTRY

SHORTAGE OF PAPER PRODUCTS—GOVERNMENT ACTION

Mr. Ian Arrol (York East): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the fact that paper products for Canada's domestic and export markets were in low supply even before the railway strike and before the strikes in the paper mills themselves, would the minister inform the House what action is planned for what appears to be a serious long-term situation? For how many years can we expect shortages before Canada's abundant forests can be utilized to meet the demand?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member has raised an important question but I think it comes more closely under the jurisdiction of the Minister of Industry, Trade and Commerce and the Minister of the Environment.

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VETERANS AFFAIRS

DURATION OF EXEMPTION FROM CEILING IN WAR VETERANS ALLOWANCE ACT OF INCREASES IN OLD AGE SECURITY AND GUARANTEED INCOME SUPPLEMENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question has in fact been put by the hon. member for Humber-St. George's-St. Barbe and I welcome the answer, but may I ask the Minister of Veterans Affairs a supplementary question. Does the order in council which will exempt from the ceiling in the War Veterans Allowance Act the increase in old age security and the guaranteed income supplement which will take place in October apply only to October, or does it apply to all of the quarterly increases that will take place in the future?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, it will apply to the quarterly increases that take place in the future.

[Mr. MacDonald (Cardigan).]

TRANSPORT

ALLEGED EVASION OF RESPONSIBILITY BY RAILWAYS RESPECTING MAINTENANCE OF RIGHTS OF WAY IN RURAL AREAS

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, in the absence of the Minister of Transport I will direct this question to the Minister of Agriculture. I may say I am sorry that the Minister of Labour is not getting equal time today. In light of the fact there is ample evidence that Canadian railways are deliberately avoiding their responsibility in connection with the maintenance of their rights of way through rural areas, and in light of the fact the Canadian Transport Commission has so far evaded its responsibility to direct the railways to fulfil their obligations in such matters as weed spraying and fence repairing, is the minister willing to intervene or will he undertake to urge his colleague, the Minister of Transport, to intervene, provided, of course, that I and other members of the House supply him with information on specific breaches of this responsibility?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the question covered far more than railway rights of way. If I were to answer it in detail it would take quite a while. I will look into the problems he has brought to my attention and discuss them with the Minister of Transport and the CTC.

* * *

FINANCE

STEPS TO PREVENT OUTFLOW OF SHORT-TERM FUNDS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs who is deputizing for the Minister of Finance. Since last week's increases in the prime rate and in the bank rate were designed to stop the outflow of short-term funds, and since there has been a continued heavy outflow of funds, will the minister advise what other steps the government is contemplating to prevent such an outflow, or can we anticipate a further rise in interest rates in a week or ten days' time?

• (1200)

Hon. Mitchell Sharp (Acting Minister of Finance): Mr. Speaker, obviously this is one of those questions that should be reserved for the minister who has the day to day responsibility. I will put the question to him, but I am sure my hon. friend would not advocate a further increase in interest rates—or perhaps I misunderstood.

Mr. Lambert (Edmonton West): No, Mr. Speaker. I am just wondering if we are to have a further instalment in a bankrupt government policy.

[*Translation*]

SOCIAL SECURITY

FAMILY ALLOWANCES—INQUIRY RESPECTING METHOD OF PAYMENT

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the Minister of National Health and Welfare.

In view of his answer to the hon. member for Portneuf and in view of the fact that the government of the province of Quebec informed the minister of its intention to avail itself of the provisions of Bill C-211 in the announcement made yesterday by the government of that province with respect to family allowances, can the minister say if he is satisfied that the government of the province of Quebec would not use those funds to recuperate moneys from the federal government in order to pay out social benefits that were intended as family allowances in Quebec?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, under Bill C-211 family allowances that will be approved by this House will be paid directly by the federal government to the citizens of the province of Quebec as in other provinces. So with that method it is impossible for a province or a provincial government to allot to any other purpose the funds voted by parliament as family allowances.

Mr. Rondeau: Mr. Speaker, I have a supplementary.

I thank the minister for his answer but does he mean that those allowances will be paid directly to the recipients rather than the province?

Mr. Lalonde: Mr. Speaker, I think I was quite clear in my reply, but I will try to further clarify it.

The amounts voted by the parliament of Canada for family allowance purposes will be paid by the federal government directly to the citizens in each of the provinces where those amounts are to be paid, and not to the provincial governments.

* * *

[*English*]

PUBLIC SERVICE

ALLEGED REQUIREMENT TO FILL OUT SECURITY FORMS—GOVERNMENT POSITION

Mr. Peter Reilly (Ottawa West): Mr. Speaker, I should like to fly another of my famous canards right up the government's nose. This time I happen to have, unhappily for them, documentary proof of something. In view of the fact that employees of several government departments, some with many years of service, are now being asked to fill out extensive security forms complete with questions about their sex lives, their travel to so-called communist countries and other questions of a rather exotic nature, I should like to ask the Prime Minister whether his government is planning an entirely new security program, whether he feels a necessity for this kind of program and, if so, why?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it would appear to me that there is no new program. Certain types of classifications do call for security clearances and this is probably an instance of the past policy being continued. I will find out if there has been any recent change, but I would expect that this canard, too, has gunshot in its wings.

Mr. Speaker: Order, please. We are coming to the end of the question period and if we are to allow two or three more quick questions perhaps we should limit supplementaries.

Mr. Reilly: Mr. Speaker, this question does not refer to new employees or new classifications. These are employees who suddenly, after having worked in the service in one case for 26 years, have been asked to fill out forms.

Mr. Speaker: Does the hon. member have a supplementary?

Mr. Reilly: I should like to ask the Prime Minister once again to investigate this fact and report.

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POST OFFICE

REQUEST FOR ASSURANCE MEMBERS' NEWSLETTERS WILL BE PLACED PROPERLY IN MAILBOXES

Mr. Ed Nelson (Burnaby-Seymour): Mr. Speaker, my question concerns postal delivery but since it concerns also enforcement of the law I will address it to the Minister of Justice. In view of the fact that householder newsletters sent out by hon. members are classified as third class mail along with the junk mail that is flooding so many Canadian homes, and in view of the importance of this communication between a member of parliament and his constituents, can the minister say if any steps are being contemplated to ensure that these newsletters are placed in individual mailboxes as required by law instead of being treated as junk mail?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I will be glad to draw this representation and complaint to the attention of the Postmaster General who, I am sure, will be extremely interested in seeing that all pieces are treated as they ought to be.

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FOOD PRICES

INVESTIGATION OF INDUSTRY BY COMBINES BRANCH—PUBLICATION OF RESULTS—CO-OPERATION WITH PRICES REVIEW BOARD

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Consumer and Corporate Affairs if the results of the investigation by the Combines Investigation Branch into the food industry, as announced by him earlier this week, will be made public and when that investigation will be completed? I should also like to ask the minister if the Combines Investigation

Branch is co-operating in this matter with the Food Prices Review Board which is conducting a similar inquiry?

Hon. Herb Gray (Minister of Consumer and Corporate Affairs): Mr. Speaker, if the hon. member will look at my remarks in the House on Monday night, he will see that I said this inquiry is being carried out under section 47 of the act and the results will be presented to the Restrictive Trade Practices Commission.

Mr. McGrath: I asked the minister if the results of the inquiry, in view of their national importance, would be made public and, further, if the Combines Investigation Branch in the course of its inquiry is co-operating with the Food Prices Review Board which is conducting a similar inquiry?

Mr. Gray: Mr. Speaker, I could be wrong but I do not think the work of the Food Prices Review Board, to which the hon. member has referred, is similar. I think the latter is looking at certain pricing practices in retail food stores, whereas the inquiry of the Combines Investigation Branch is much wider and with respect to the food manufacturing industry. On the other part of the question, I will have to check the exact provisions of the law with respect to the work of the Restrictive Trade Practices Commission. I stand to be corrected but I believe that once the report is presented to the commission it is open to it to hold public hearings on the report. However, I will check into that and make sure my information is correct.

Mr. Speaker: The hon. member for Provencher.

Mr. Epp: In the absence of the Minister of Transport I should like—

Mr. Speaker: Order, please. The Chair will recognize the hon. member, but I indicated to the House a moment ago that we had gone beyond the time allotted for the question period. I thought the hon. member was rising on a point of order. I would not want to disappoint him so perhaps he might ask the question quickly. The Chair will recognize the hon. member and then call orders of the day.

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TRANSPORT

NEED FOR ADDITIONAL GRAIN CARS TO CLEAR BACKLOG—GOVERNMENT ACTION

Mr. Jake Epp (Provencher): I should like to address my question to the Parliamentary Secretary to the Minister of Transport. In view of the present situation with harvesting in western Canada and the need for many western farmers to stockpile grain outside because of the backlog and the lack of grain cars, has the department undertaken any discussions with Canadian National and Canadian Pacific to make sure that this backlog will be taken care of shortly, and what is the supply of grain cars coming from Thunder Bay?

Mr. Joseph-Philippe Guay (Parliamentary Secretary to Minister of Transport): Mr. Speaker, this has been one of the main concerns of the minister, but I will still bring the question to his attention on Monday.

[Mr. McGrath.]

Mr. Speaker: Orders of the day. The hon. member for Skeena on a point of order.

Mr. Howard: Mr. Speaker, the point of order I should like to raise at this time is occasioned by the fact that this may well be the last day before the recess and the resumption in mid-October and, therefore, the last day before the Prime Minister (Mr. Trudeau) leaves on his visit to the Peoples Republic of China.

There is a very urgent and important question that I think should be posed to the Prime Minister prior to his departure that has not been permitted because there has been a succession of supplementary questions, as Your Honour has mentioned.

Mr. Speaker: Order, please. If there is consent to allow the hon. member to ask his question it could be done, but that is not a point of order. I have indicated to the House on many occasions that when we have called orders of the day it is irregular to rise and seek to ask supplementaries or further questions by way of a point of order.

Mr. Howard: Mr. Speaker, if there is consent I am sure that there are many—

Mr. Speaker: Apparently there is not. Orders of the day.

ROUTINE PROCEEDINGS

[*Translation*]

HOUSE OF COMMONS

MOTION TO ADJOURN UNTIL OCTOBER 15, 1973

Hon. Otto E. Lang (Minister of Justice) moved:

That, when the House adjourns this day, it shall stand adjourned until October 15, 1973, provided that at any time prior to that date, if it appears to the satisfaction of Mr. Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Mr. Speaker being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for all purposes of this order.

● (1210)

[*English*]

He said: Mr. Speaker, the purpose of this motion is to allow the House to resume the adjournment which was begun on July 27, and which had lasted only for a short period when the House was summoned back to deal with some important measures. The House took up the problem of the rail strike, which was causing much difficulty in the country, and enacted the legislation required to end the strike and to make sure that the problems between the men and their employers could be solved in an orderly

way without further disruption and difficulty for the country.

The House also dealt with several important measures aimed specifically at assisting those whose income levels may not have been adequate to enable them to cope with current increases in prices, particularly of food. The House dealt expeditiously with a measure to increase family allowances for each child receiving allowances in Canada to $12 per month, effective October 1 and for the balance of the year. The measure is to be effective until the new and improved family allowances program, which is on the order paper, can be implemented.

The House also dealt with two measures relating to old age pensions and guaranteed income supplements and to the superannuation of public servants. It introduced a different type of escalation relating to the first piece of legislation mentioned, providing for an escalation immediately on quarterly basis, and in the case of the second piece of legislation mentioned introduced a more generous form of escalation into the pension plan.

The House also dealt with a crop insurance measure, which was passed through all stages, and it gave second reading to a measure relating to the Canada Pension Plan and to one relating to residential mortgages. That is a further measure which may be of some assistance in dealing with the costs which must be borne by people who are interested in buying a dwelling house for themselves.

The House, as well, witnessed announcements and decisions by the government in relation to other matters which will deal with rising costs. I think specifically, perhaps as the best example, of the action to introduce a larger consumer subsidy which, together with some other measures, has resulted in the avoidance of a five-cent increase in the price of a loaf of bread, and of the measure with respect to milk which proposes to make available up to five cents per quart of milk consumed in Canada.

The House was also happy to hear the Minister of Agriculture (Mr. Whelan) saying not long thereafter that an arrangement had been reached with the province of Quebec which assured that the effect of this measure would result in a benefit to consumers, inasmuch as there would be an avoidance of an increase in the price of milk in that province. We all look forward to arriving at similar arrangements with other provinces and other parts of the country. Today, the House also witnessed the tabling of the ways and means motions dealing with the export tax on oil. An announcement with respect to this matter had been made earlier.

In proposing that the House resume the adjournment, let me say this: It is well to note, and this is not well understood, that when the House adjourns and members return to their constituencies, by no means do they all automatically go on vacation. Indeed, the adjournment enables members to perform an extremely important part of their work, as they may spend time with their constituents, visit them and deal with their problems. Many members of this House, particularly the most dedicated, spend a great deal of time when the House is in session either in the chamber itself or in committees. As well, while in their offices, they attempt to deal with the problems of their constituents.

The member of parliament is in many ways an ombudsman. He is a troubleshooter. He is a man who deals with the problems of people who come to him for help. A member often deals with problems which may have nothing to do with his parliamentary role. But because of his role as a member of parliament, as an elected representative, he may undertake to act in such matters. This means that there is a heavy load of work for so many of our members who fall into that category, who are dedicated to their work in parliament, that is serving their constituents as well as they can.

It is important that these and other members be away from time to time from this chamber and back in their constituencies, so that they may deal directly with the people whom they serve. It is important for that aspect of the member's work to be understood, so that the time the members spend away from the House of Commons is not misunderstood and so that their reason for being away from the House is not misinterpreted.

I believe, therefore, that the motion which I have moved ought to commend itself to all members of this House. In this way, we may have an opportunity to visit again with our constituents, to travel across the country, and then return on October 15 to take up the business of this House, having by that time had this additional contact with Canadians and with their views.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I agree with what the Minister of Justice (Mr. Lang) said about the dual role of the member of parliament. As well as fulfilling his functions here, the member has responsibilities in his home, in his constituency and in other parts of the country. For that reason I want to compliment the Liberal government for bringing forward this motion, as I suspect very few of them look forward to going home and facing their constituents, in view of the record of inertia and incompetence which this government has gained in the last few weeks.

Some hon. Members: Oh, oh!

Mr. Baldwin: We will not oppose the motion which the Minister of Justice has moved. It is the responsibility of the government to propose the motion and, as I say, we are not going to oppose it. Nevertheless, I want to take a few minutes of the time of the House to make some comments on what has been done.

First, although the Prime Minister (Mr. Trudeau) and other members of the government tried to create the impression that the government had decided to recall parliament to deal with the rail strike and the other problems related to inflation and the economy, it ought to be noted that, actually, the government was dragged back to this House, kicking, screaming and struggling. It had to deal with the rail strike, a matter which had been incompetently handled. I will not go into that now.

In any event, it is not the government that calls the House back into session; it is Your Honour. Your Honour does so, after consultation with the government. The government must assign reasons to Your Honour. I have no idea what went on between Your Honour and representatives of the government, but I would venture any amount of money that not one word was said about inflation and

ways of dealing with inflation. I suspect that the government said to Your Honour that it was necessary for parliament to reassemble in order to deal with the rail strike. That was quite proper. However, when at a later date the Prime Minister, with that modesty that ill becomes him, tried to suggest that the House of Commons was called back to deal with the crisis of inflation and economic problems of the country, that was just so much hog-wash. That is what I call it. That that is correct is evident if one looks at the special order paper for Thursday, August 30, and at the special order standing in the name of the Minister of Labour (Mr. Munro), being an act to provide for the resumption and continuance of operations of railways.

● (1220)

On August 31, the leader and members of my party, the leader of the New Democratic Party and members of the Creditiste party demanded that the government tell us what they were going to do. We did not find out anything. It was only on September 4 that the Prime Minister, with his famous press release and appearance at a press conference which was delayed hour after hour while he and his advisers shifted positions and changed commas, periods and question marks to determine what should be in the statement, indicated the government had any serious intention of looking at the problems of the long-suffering people of this country caused by the failure of this group of extinct volcanoes. That is not the right word. They never were volcanoes, but they are extinct. As a matter of fact, the government House leader had to obtain consent from the Conservatives, the NDP and Creditistes to introduce the legislation which was finally dealt with by this House.

Today, a very indefatigable member of our party, the member for Humber-St. George's-St. Barbe (Mr. Marshall), prodded the Minister of Veterans Affairs (Mr. MacDonald). I admit he has had some assistance from time to time from the hon. member for Winnipeg North Centre (Mr. Knowles). Because of that prodding, because this session was called and because this House was in being, the minister was finally persuaded to make a statement about veterans' benefits. I would venture to say, and if members opposite are honest they will agree, that if this House had not been called into session, that statement would not have been made.

Some hon. Members: Hear, hear!

Mr. Béchard: Who called the House into session?

Mr. Lefebvre: That is hypothetical.

Mr. Baldwin: None of the other legislation would have been passed. It was minimal. It is not the kind of legislation that goes to the root of the problem. But we do not minimize this. It has had a useful effect. To some extent, it will alleviate the consequences of the inaction of this government. We approved it and to some extent improved the bills, just as this party improved the labour legislation which was introduced in order to persuade the workers to return to work. If it had not been for the amendment of this party, I am confident that the rail strike might still be in existence today.

[Mr. Baldwin.]

Mr. Guay (St. Boniface): Wishful thinking.

Mr. Baldwin: Under those conditions, it has in a limited way been a useful session and has been of some benefit to the people.

Some hon. Members: Hear, hear!

Mr. Baldwin: Before my friends opposite applaud, let them hear me repeat that if it had not been for the actions of this party and the opposition generally, we would not have had the other legislation. There is no question about it. The government was prepared to adjourn this parliament on August 31 when the bill to deal with the resumption of the operations of the railroads was passed. The government had no intention of pressing on with other legislative measures. I can tell by the way members opposite are eyeing me that they know I am right, and approve of what I am saying.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lang: Your eyes are dim.

Mr. Baldwin: For example, that honourable tropical typhoon, the Minister of Energy, Mines and Resources (Mr. Macdonald), who rages and rampages across this country creating havoc and discord, would not have done anything with regard to the energy problems of this country. The minister still has a lot to answer for what he has done. However, what was done was because this House was in session. Members of the opposition, exercising their rights and privileges, challenged this government and something was done.

I have checked through *Hansard*. On August 30, the first day we met, there was no statement on energy from anyone on the government side. A question was asked by a member of this party, the hon. member for York East (Mr. Arrol) about the supplies of gasoline fuel in eastern Canada. The minister responded in his usual negative fashion. The next day, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) presented a motion under Standing Order 43. However, it was not until Tuesday, September 4, after the legislation dealing with the rail strike had been passed, that any statement was made. That, of course, was the statement by the Prime Minister. It was an ad hoc improvisation, hastily conceived, without any consideration as to the consequences. I am not going to debate the substance of that now. I probably would not be permitted to do so. There will probably be an opportunity to do so later. Let there be no misunderstanding. What the government did was hastily done, ill prepared and without any regard to the consequences. There was not that degree of preparation and consideration that was required.

When the Prime Minister made his statement on September 4, he did not even know whether the controlling of exports of oil would be done by means of a tax or a marketing board. It was only today, when the Minister of Energy, Mines and Resources tabled the Ways and Means resolution, that we were made fully aware of the situation. This is a most shocking, improper and unconstitutional way of dealing with an important subject of this kind.

Some hon. Members: Hear, hear!

Mr. Baldwin: I do not now challenge the right to tax. There may be constitutional issues, I do not know. I will not raise them at this time. I think I can say that members of this House know that the representatives from Alberta are reasonable and moderate people.

Some hon. Members: Hear, hear!

Mr. Baldwin: Many of the attempts by this government to deal with the effects of inflation have been levelled at western Canada. Alberta has received a shellacking. Albertans, and certainly their representatives here, are confident that if the government of Alberta had been given a reasonable opportunity to sit down and talk with the Prime Minister, the minister or his officials, they could have worked out an arrangement which would have had the desired effect. However, this was not done.

Did the government know about this crisis? If not, they are guilty of gross negligence. If they did not know about it and did not do anything, they are guilty of gross incompetence. If I had an hour and a half, I could quote numerous illustrations to show they are guilty of both of these.

Some hon. Members: Hear, hear!

Mr. Baldwin: All that was required was that degree of consultation and discussion that usually takes place between two civilized groups of people. That was not done. One can well understand the Alberta government and people being angered and annoyed. I am in hopes that some arrangement will be worked out for the benefit of the people of Canada in general, and of the people of Alberta in particular. I must say I am shocked and annoyed by the way in which the Minister of Energy, Mines and Resources has conducted himself in his dealings with respect to this important issue at the present stage in our economic affairs. The minister and the government have apparently determined to proceed by way of taxation.

● (1230)

There was a situation in 1948 when the then minister of finance announced a tax by radio. The present minister did so by means of a press release. He indicated in a press release that a tax would likely be imposed on the export of crude petroleum and that details would be announced later. I remind you, Mr. Speaker, that in 1948 an interesting debate took place in this chamber. The right hon. member for Prince Albert (Mr. Diefenbaker) took part in it as did the hon. member for Winnipeg North Centre (Mr. Knowles). Even some supporters of the Liberal party also took part and, to their credit, criticized the Liberal government strongly, taking the position that no taxation could be imposed without the consent of parliament. Nowadays, supporters of the Liberal party do not believe this. They believe taxation is imposed by the grace of the party and the Minister of Finance (Mr. Turner). That is their attitude.

Mr. Foster: Be serious.

Mr. Baldwin: This tax is to come into effect on October 1. The motion before us says we shall not come back until October 15. Will there be a budget then, will there be a ways and means resolution? It seems most unlikely. What kind of debate will take place on the issue? Will the government impose and collect the tax in the interval? I know that when the Minister of Finance in his budget presentation brings down ways and means resolutions there is a general assumption in the country that they take effect as and from that date. This situation is, of course, without foundation in law. In the United Kingdom a different situation prevails because there is a statute which says that a ways and means resolution has the effect of law until legislation is passed. I say it is a shabby way for the government to conduct itself in connection with this affair. It will have much to answer for when a debate ultimately takes place, and I am not speaking only about the substance of what is proposed.

Finally, I would repeat what I said earlier. We do not intend to oppose this motion. We have pressed the government, both in and out of the House, to introduce measures which in our opinion would go to the root and substance of the economic crisis which affects the people of Canada, a crisis which before many months have passed will result in a great deal of misery and unhappiness. The government has made it clear that its only answer to this situation is contained within the legislative program which the Minister of Justice recited today. We think this program is most inadequate. We believe there are other things which ought to be done. We have outlined our proposals in the form of opposition day motions, in the course of debates and in the course of questions asked during the question period. We have made it plain that we are completely dissatisfied with what the government has proposed.

Nevertheless, it is hon. members over there, sitting on the treasury benches, who form the government. They alone have the right to introduce legislation touching financial measures which could go to the root of the problems facing us. We on this side of the House have done all we can. It is our intention now, if this motion passes, to go to the country—not as we would like to go, in an election—

Some hon. Members: Hear, hear!

Mr. Baldwin: —but to tell our story to the people of Canada in our constituencies in all parts of the country, to talk to Chambers of Commerce, farm unions, to those engaged in industry and advise them that this is an incompetent government, that it is incapable of governing and one which remains in office only because it is buoyed up by hon. members to my left. I do not intend to be critical of the New Democratic Party. Its members have a constitutional right, if they choose, to continue to support the government, and it seems plain that with such support the present administration is likely to stay in office until at least some time in the coming year. This is a matter between the NDP, its conscience and the voters of Canada which the party will have to face.

For our part, we believe we can now serve a more useful purpose by attempting to persuade the people of Canada to add their pressures to ours so that when we do come back on October 15 the government, at long last, may have

some measures to introduce which would help the long suffering people of Canada.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, I do not think anybody in this House needs to be coy or apologetic about admitting that it is sensible and reasonable for members of parliament to take a break at this time and spend the next three weeks in their constituencies consulting with their constituents and learning more about their problems.

I do not think there is any need to beat about the bush; I do not think the people of Canada will misunderstand us. It was reasonable to have a summer vacation during which we were able to visit our constituencies again and live with our constituents. And this vacation having been interrupted for some four weeks, it is perfectly reasonable that it should now be resumed. I have no hesitation in saying that my hon. friends and I consider the motion entirely in place.

I must say I was delighted to hear the hon. member for Peace River (Mr. Baldwin) admit that some useful legislation has been passed in the last two or three weeks. It is not often I hear members of the Conservative party make such an admission. The fact is we have spent these three or four weeks very usefully, and the measures which have been passed are measures of benefit to the people of Canada, especially to those on whom the burden of rising prices is greatest. It was worthwhile forcing the government to make the statement it did on September 4, and then going on to deal with the legislation.

The hon. member for Peace River seemed to take credit for this having been done. I chide him as good naturedly as he has chided others in this House: if my memory serves me correctly, this parliament would have been brought down two or three weeks ago if the hon. member and his colleagues had had their way, without any of the measures to which he referred becoming law.

Mr. Baldwin: We would have brought them down in a better form.

Mr. Lewis: The easiest thing one can do—and I am as guilty of this, I suppose, as anybody else—is to persuade oneself of the truth of a proposition that is invalid to the point at which one begins to believe it. The hon. member for Peace River, along with members of the press gallery, keeps saying that the NDP has kept the government in power.

Mr. Woolliams: Who else has done so?

Mr. Lewis: Hold your horses. We made it clear what our policy in this parliament would be. I think the people of Canada ought to know that there have been important occasions in this parliament when, if the Conservatives had really had the guts to bring down this government, they could have done so. We made it perfectly clear from the beginning of this session that we would not under any circumstances vote for the bill giving the corporations the added tax concessions that were promised in May 1972. For many weeks my very pleasant and charming friend—and I hope he is my friend because I have very great affection for him—the Leader of the Official Opposition (Mr. Stanfield) spoke in terms that suggested that his party, too, might vote against the measure. If they had voted against the tax measure giving added concessions to the corporations, the government would have fallen months ago; but when it came to the crunch and they had to decide whether or not they wanted to go to the country or stay, the Gallup poll made them hesitate and their corporate friends stopped them.

• (1240)

Some hon. Members: Oh, oh!

Mr. Lewis: Then, two days ago, on Wednesday, they had another similar opportunity. For weeks and months we had been making clear that we would vote against the bill setting up the new housing mortgage arrangements because, in our view, that bill was aimed at private housing in the market place and was not going to be of any value at all to the ordinary Canadian, that it was only of value to investment companies. Again we made clear throughout that we were going to vote against it. But when the crunch came again the Conservative party was no longer interested in bringing down this government; it was interested in making sure its investor friends would continue to make the profits they have been making.

Let it be clear as we adjourn this part of the session that we have been consistent throughout. We said from the start that we would do our best to make this Parliament work and to produce useful measures for the benefit of Canadians. I am proud of the role that we have played in this regard with other members of this House. Although my experience in this House has not been a very long one, encompassing merely some ten years, it is my view that since last January, having looked back through *Hansard* to study parliamentary history over the years, we have had one of the most productive sessions Canada has ever had as well as one of the most useful.

I should just like to take a few more minutes to talk of the future for a moment instead of the past. I believe that just as all members of parliament will be using, I hope, the next three weeks to spend some time with their constituents, the government will take a serious look at the programs it has announced and which remain to be completed so that we come back on October 15 with some coherent policies in all those areas.

It is of the utmost importance that the five cents a quart of milk subsidy which the government announced, which we asked for before the announcement was made by the government and which was announced clearly in response to our demand, will get to the producer and the consumer of Canada and not to the processing corporations.

I am delighted with the arrangement that has been made with the province of Quebec under which it looks—we have to wait and see whether in practice it will be the case—as if this five cents will indeed go to the consumers in Quebec. I hope that the same kind of arrangement will be made in every other case where arrangements are possible. If there is an area where the five cents does not get to the consumer, I hope the government will have the courage to withdraw that five cents subsidy. We ought not to add to the profits of the processors; any subsidy paid

out of the federal treasury should be used to protect the producers and consumers of this country.

The same is true of the very considerable subsidy to wheat. It is true the subsidy was taken in two stages, $1.25 at first and then it was raised to $1.75. But that is not an inconsiderable subsidy. When we return in October we expect the government to have evidence to show that this subsidy to wheat has indeed gone to reduce or to hold the price of bread, that it has helped the farmers of this country, and that none of it has gone to add to the profits of the large flour mills and bakeries.

In the same way the Prime Minister (Mr. Trudeau) ought to get off his horse about the Food Prices Review Board. He has been saying for months, both in the House and outside, that if some gouging is shown to be taking place, that if some injustice is proven, that if there is some infairness seen, then he will take action to present legislation to parliament to deal with it.

I tell the Prime Minister, even though he is not here, that in all of my days of studying the history of law and the effect of legislation I have not heard anything more fatuous. One of the great values of laws on the statute books is not that they punish but that they are there, that their presence on the statute books hold people back from doing harmful things to others. It is not just the fact that there is a law on the statute books providing that somebody may be punished or taxed; it is the fact that there is on the statute books an expression of the moral thrust of society at a given time which is of great value.

If the Prime Minister is at all serious and sincere about stopping injustices and inequities from which the consumer now suffers at the hands of the monopolistic, or, if you like, the oligopolistic system of distributing food where a few large corporations control the largest part of the market, or at the hands of processors of food who have a concentration of productive power of immense proportions, the Prime Minister ought to bring down legislation to strengthen the Food Prices Review Board on the very day we return here so that every corporation in this country will know that, if they do gouge the consumer, there is a law to deal with them.

I plead with the government to reconsider its position on this point, and to have legislation ready when we come back (a) to strengthen the Food Prices Review Board and to give it power to roll back unjustified price increases; (b) to strengthen the board in order to widen its scope beyond food and into other areas which very greatly affect the living standards of Canadians; and (c) to provide for penalties against people or corporations who gouge the Canadian consumer in a situation of great difficulty.

Without citing any figures—I did that some time ago in this House—if you study the profit picture of Canadian corporations it becomes obvious that, while the ordinary people of Canada are feeling the pinch of the rise in the cost of living, the corporations of Canada are having a profit bonanza at the expense of Canadian consumers.

Mr. Howard: They are doing the pinching.

Mr. Lewis: As my colleague suggests, the corporations are doing the pinching. I plead with the government to consider that suggestion.

Adjournment

I hope the Minister of Industry, Trade and Commerce (Mr. Gillespie) will take another look at the foreign investment bill which has gone through committee and is a vast improvement over the bill we had two years ago, a bill that our party was determined to stall and did stall. And it is a good thing for Canada that we did. I suggest he ought to take a look at the bill again, because from what I read I understand the Syncrude arrangement is a massive sellout of a very important Canadian resource which will probably be a major source of oil for the Canadian people in the 1980's. I hope that the reasonable and moderate members of this House from the province of Alberta, and I accept the word of the hon. member for Peace River in that regard, although I would suggest they are reasonable and moderate in something else, will not mind me suggesting that from what I have read I have come to the conclusion that the Syncrude arrangement will mean that this is a sellout of at least 80 per cent of ownership to four foreign corporations. In fact, there are three foreign corporations, as the fourth member of that consortium is mainly a consortium of the other three. So, there are really three foreign corporations in the picture.

● (1250)

These three corporations will own 80 per cent only if the Alberta government uses its option arrangement to take 20 per cent of the equity. If the government does not take advantage of that arrangement these three large foreign-owned corporations may own even more than 80 per cent of the equity, and again this country, this time through the actions of a provincial government, will be pursuing the route we have pursued for years, selling Canada's rich resources to foreign corporations, giving them and them alone the power to dictate the future economic development of this country.

I ask and I plead; I demand, if you like, that the Minister of Industry, Trade and Commerce take another look at his bill to see whether it covers the kind of situation that has developed in Alberta and, if it does not, be prepared to amend it in order that it will. We in this party see no reason at all why the federal government should not take an active part in the development of so important a resource, and buy out, not necessarily all of the interest of private corporations, but a large part of this interest in order that the federal contribution and involvement together with the Alberta provincial involvement will mean Canadian control of the oil sands development in Athabasca and the oil sands development which I hope will come in Saskatchewan.

Indeed, in the last few weeks and months, as I suggest in a question I asked the Minister of Energy, Mines and Resources (Mr. Macdonald) earlier, this government through the minister, and partly through the Prime Minister (Mr. Trudeau), has announced bits and pieces of a national petroleum policy, and that is all we have really had on a number of very important matters, much of which policy we demanded before it was announced.

I certainly offer every support for the two-price system and for the export tax so long as the government of Canada deals fairly with the governments of Alberta, Saskatchewan and British Columbia, where the petroleum products originate, and so long as these provinces get the major part of that export tax we are entirely in agreement

with it. We are also in agreement with building a pipeline to Montreal to serve the Quebec and Atlantic provinces market.

All that has been visible has been bits and pieces of various strands of policy. Neither the Prime Minister nor the Minister of Energy, Mines and Resources has as yet come before parliament to give a coherent, comprehensive and related statement as to what is the policy of this government in this all-important area of petroleum development in Canada. I demand on behalf of my colleagues and myself, as suggested in a question earlier today, that the minister prepare such a statement when he is studying the Syncrude situation so that we can learn of the details. I think the Canadian people have a right to know the details about the equity and financing of this Syncrude extraction plant as well as the supporting facilities.

Exactly what is the situation there? I do not know, but I have reason to have some very serious suspicions. I think it is important for members of the press and members of parliament to know this, and I hope I am wrong, but from reading about it I understand there is going to be a total investment of roughly $1 billion; that $750 million or $770 million is to be borrowed at some rate of interest; that there will be about $250 million in actual equity in this development, and that the Alberta government is apparently intending to take $200 million of that equity, which is 20 per cent of the total of $1 billion.

If that is the case, then three large foreign-owned oil corporations are to have 80 per cent of the equity of the entire development with an actual investment of $50 million plus the $50 million or so they have spent prior to this stage. So that for a total of about $100 million they will have 80 per cent equity of $1 billion, and that is a pretty good deal for the foreign oil corporations and a pretty bad deal for the people of Alberta and the people of Canada. This is obviously another rip-off.

We ought to know whether the facts are as I have just suggested or whether they are different. I hope they are different and I will not be insulted at all if I am proven to be wrong. I have a very profound suspicion, derived from experience, that I am not likely to be wrong in this respect at least. We have a right to know whether the tar sands oil will be exempt from export controls and from internal price controls, as these three large foreign-owned corporations and the Conservative government of Alberta are now demanding. They demand that they be exempt from the export controls and the two-price system. We want to know what the government's policy is in that regard. It would be a completely unjustified concession to these large corporations, at the expense of Canadians, if that were done. May I call it one o'clock.

The Acting Speaker (Mr. Laniel): Order, please. It being one o'clock I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[Mr. Lewis.]

Mr. Lewis: Mr. Speaker, to speak at two o'clock on a Friday afternoon is practically to speak to oneself. At least one is then assured of an attentive audience. One of my colleagues suggested I should simply call for the motion because we may at this time have a majority in the House. When we rose at one o'clock, Sir, I was dealing with the arrangement in Alberta with Syncrude oil. I had covered two points. I wish to mention briefly two or three others.

As I have already suggested we are very concerned about the extent of foreign ownership in that situation and when we come back in three weeks we hope that both the Minister of Energy, Mines and Resources and the Minister of Industry, Trade and Commerce will have had occasion to study the arrangement in much greater detail than they or anyone have been able to do until now. Most of the details of the arrangement are still in the hands, pockets or minds of the premier of Alberta and the heads of the private foreign corporations involved. However, we hope that by October 15 the federal government will have had an opportunity to study the details and be able to inform the House and the country to what extent the arrangement places a very important natural resource in Canada, one that will gain in importance as the conventional oil reserves are depleted, in the hands of large foreign-owned and controlled corporations.

It is not often enough repeated in Canada, although perhaps I have repeated it often enough as has my colleague the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), that these same corporations are world wide. The corporations which control the oil resources in Canada are not merely United States or British corporations. They own and control the oil resources in South America and in the Middle East. They own and control most of the energy resources in all the western world. They are and have been for decades—and I do not apologize for using a rather harsh word—a vicious international oil cartel. One is always caught by them in a pinch which it seems to me the people of Canada do not sufficiently realize.

People talk about the price of a gallon of oil at the wellhead. In most cases they are talking about a price which the company charges itself, because the oil goes from the wellhead to its own refinery. In many cases, so far as gasoline is concerned, the gasoline goes to the company's dealers whom they control as if the dealers were their slaves. It is this kind of world control of the western world's energy resources that these large multinational corporations now have. They are a great danger to the world. More and more countries in the western world, as well as elsewhere, realize that danger and more and more people at the United Nations and elsewhere are demanding some international steps to control the immense power these world wide corporations have.

Throughout history, these multinational corporations have been as responsible as any one cause for overturning governments, for undemocratic coups d'etat of one sort or another all over the world. Their money has gone into upsetting systems of government, particularly democratic systems, wherever the democratic system played havoc with their particular international power and profit interests. As my friend says, this economic control world wide also exercises immense pressure on the international

monetary market. Among the worst of the gnomes of Zurich actually are these world wide corporations which use the international money market for the purpose of additional profits by buying and selling futures and speculating, not in terms of buying actual dollars but in the way in which they handle the product they sell across the world. It is this kind of concentrated power with immense social consequences that we are now allowing to control yet another basic resource of the Canadian people.

I believe that anyone who thinks about Canada's independence at all, or anyone who is concerned about the future of this country and its ability to gain sufficient economic, political and social independence to build its own distinct society, must be concerned about the deal that has now been announced by the premier of Alberta. That he made such a deal I am not surprised. I am not surprised that a leader of the Conservative party would think that was the right kind of deal to make, because that is quite natural with the particular social philosophy of that party. However, I think the people of Canada ought to recognize it for what it is. I believe it is the duty of the federal government, which is necessarily, or ought to be, concerned with the entire problem of national energy and a national energy policy, to look into this aspect of foreign ownership to see whether or not the investment bill which has left the committee is sufficiently wide to cover this kind of arrangement.

● (1410)

Above all, Mr. Speaker, and I say this with emphasis even though I may not raise my voice, we do not see any reason at all why the federal government, either through the CDC or directly through public investment at this end, should not in that way make certain that at least the control of the Athabasca tar sands development will be in Canadian hands.

Mr. Paproski: In the hands of Alberta.

Mr. Lewis: We ask the government of Canada to look at that, in partnership with the government of Alberta—let me say to the hon. member for Edmonton Centre (Mr. Paproski)—and in partnership to some extent with the corporations now involved. I am not suggesting that either one of those be excluded, but instead of 80 per cent being in the hands of private, foreign-owned corporations, at least 51 per cent ought to be in the hands of the provincial and federal governments of Canada so that we can control our own future.

We want to know how that involvement will take place. When we return on October 15 we want to know from the Minister of Energy, Mines and Resources whether the export tax is the only step he will take with regard to assuring orderly marketing of petroleum products in Canada, or whether he will also go ahead with the national marketing board. I plead with him to do so. I plead with him that that is the one way to assure supplies to the Canadian people, to place the supplying of Canadian needs in priority over exports. We ought not to be worrying every second day about exports to the United States.

We ought to have a distinct policy, which the Americans and everybody else in the world can understand, that we are determined that Canadian needs for oil products and natural gas will be a priority for the oil products and natural gas that the Canadian people now have at their disposal. We suggest that this can only be done through a national marketing board, through a Canadian petroleum corporation, and we want to know what the government's ideas are on these things.

When we get back on October 15 I hope the government will lose no time in referring the election expenses bill to the appropriate parliamentary committee. It has been lying there ever since it was passed on second reading quite a number of weeks ago. In my opinion, and in the opinion of my colleagues, it is a very important piece of legislation, one of the very best pieces of legislation in that area that has been suggested in Canada to date. Many hon. members have expressed their wish that it be passed and, as I say, I hope the government will lose no time in referring it to the committee.

When we compare this election expenses bill with the bill that we were presented with in the last parliament we see that the differences are immense. It was the same President of the Privy Council (Mr. MacEachen), Sir, who presented the bill in the last parliament and presented the bill in this parliament. The bills are so different that I am certain the same man is different. There has been some real change in the minister and in the government. I do not suppose it takes much genius to think that the results of October 30 had something to do with the great change, moral, social, spiritual, and above all political, that has taken place in the ranks of the government.

We were glad to see on the order paper the bill for the new family allowance plan, and I was personally delighted to read in the press of the family allowance program announced by the Premier of the province of Quebec. We think we and the other Canadian parliaments are doing the right thing by the families of Canada, particularly in a rising cost of living situation. I hope we will not lose time in putting that bill into law, so that the families of Canada who have children will be guaranteed the assistance which it will provide for them.

Finally I hope that when we return on October 15 we will not lose much time in receiving the amendments to the Canada Pension Plan from the Minister of National Health and Welfare (Mr. Lalonde) which we have been promised, amendments not only to remove the 2 per cent limit on escalation but also to increase the ceiling on allowable earnings under that plan. Even more important I hope that parliament, the government, the official opposition, we in the New Democratic Party, and the Social Crediters, will have the wisdom and vision to insist on lowering the pensionable age both for the old age security pension and for the Canada Pension Plan. There are many spouses whose husbands have taken pensions but who themselves are not yet of pensionable age, and as a result these people are living in a type of degradation that our country ought not to allow.

In short, Mr. Speaker, there are these areas of action that can be effective. They are not simplistic slogans about dealing with the cost of living such as have been presented to us, and about which the Leader of the Opposition (Mr. Stanfield) and his deskmate, the hon. member for Peace River have boasted. I have said what I think about that plan on numerous occasions. But there are areas of price

control that could be effective and that we should undertake. There are areas of assistance to people who are badly hurt by the cost of living in which we can take effective action. We should take those steps. Further, there are areas of control of Canadian resources in which we should act to protect the future independence of this country. I am not sure how my hon. friends to my right, physically and politically, will act when we return on October 15. I do not know whether they will continue to be the paper tiger they have been since last January, threatening to bring the government down, but not taking the opportunity to do so when it is presented to them.

I can tell you, Mr. Speaker, so far as my colleagues and I are concerned, that we declared our policy at the beginning of the session. In fact, we declared it last November before we knew exactly which party might be the government. We meant that policy, and we intend to pursue it. I hope that when we get back on October 15 this parliament will continue to be productive in the interests of the people of Canada, and as long as it is productive in those interests this parliament, so far as we are concerned, is doing a job of work which ought to be supported.

Mr. Reid: On a point of order, Mr. Speaker, on Wednesday last the hon. member for Cape Breton-East Richmond (Mr. MacInnis) raised a point of order concerning the adequacy of an answer provided to him by the Department of Regional Economic Expansion. On investigation, I found that that point of order was indeed well founded. I now have a revised answer. I would ask the permission of the House to present it to the House now, and to have it printed in *Hansard* as a proper response to the hon. member's question.

Mr. Deputy Speaker: I think the suggestion is probably a reasonable one, because if the parliamentary secretary had to wait until we passed the adjournment motion then the hon. member for Cape Breton-East Richmond (Mr. MacInnis) might not get his answer until October 15. Is it the pleasure of the House to accept the suggestion of the parliamentary secretary?

Mr. Stanfield: Yes, Mr. Speaker, without any commitment that we agree it is a satisfactory answer.

Mr. Deputy Speaker: The suggestion of the parliamentary secretary is accepted.

[*Editor's Note: The question and answer referred to above are as follows*]:

QUESTION ON THE ORDER PAPER

[*Text*]

CAPE BRETON DEVELOPMENT CORPORATION—NUMBER OF BUSINESSES IN RECEIPT OF INVESTMENT

Question No. 2,581—**Mr. MacInnis (Cape Breton-East Richmond):**

1. How many business enterprises has the Cape Breton Development Corporation invested in since it began operations?

2. (a) How many such businesses are still in operation (b) what is the nature of these operations (c) who are the responsible persons managing them?

3. (a) How many are no longer operating (b) what was the nature of such operations (c) for what reason did they cease operations?

4. Did the Corporation recover its investments?

5. In each instance (a) what was the investment (b) how much of the investment was in the form of (i) grants (ii) loans and, of the amount in loans, how much has been recovered to date?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer for the Cape Breton Development Corporation is as follows: 1. One hundred and one business enterprises.

2. (a) Ninety-two; (b) Sheep farming, 31; Scallop Fishing, 9; Marine farming, 10; Tourist accommodations and facilities, 19; Marine and Equipment Repairs, 2; Mining and Processing, 1; Forest Products, 2; Oil Refining, 1; Textiles, 2; Fish Processing, 6; Car Crushing, 1; Vegetable Production, 2; Pottery, 1; Boat Building, 2; Furniture Manufacturing, 1; Office and Apartment Accommodation, 1; Handcraft Distribution, 1. Total, 92. (c) Individuals and Partnerships, 56; Co-operatives, 14; Limited companies, 17; Devco operations, 5.

3. (a) Nine; (b) Six manufacturing, one bakery, one forest products, one machine vending. (c) Financial difficulties.

4. In part.

	(a) Investment	(b) (i) Grants	(b) (ii) Loans	(b) Recovery to date
	$	$	$	$
Andercroft Forest Products Ltd.	311,957	—	311,957	—
Breton Versatrek	1,862,586	60,000	1,802,586	120,093
Hustler Products Ltd.	724,264	65,000	659,264	364,151
W. Allen Kennedy Ltd.	83,000	28,000	55,000	7,318
Rhand Electronics Ltd.	761,228	37,837	723,391	323,391
Richmond Plastics Ltd.	70,000	70,000	—	—
Pyrominerals Ltd.	650,000	—	650,000	650,000
W. T. Lynch and Sons Ltd.	270,000	—	270,000	2,080
Sydney Vending Co. Ltd.	30,000	—	30,000	500

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

MOTION TO ADJOURN UNTIL OCTOBER 15, 1973

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

That, when the House adjourns this day, it shall stand adjourned until October 15, 1973, provided that at any time prior to that date if it appears to the satisfaction of Mr. Speaker, after consultation with the Government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time; and

That, in the event of Mr. Speaker being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for all purposes of this order.

● (1420)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, French singers sing a song entitled: Everybody wants to go to heavens but nobody wants to die. It could be said that in this House, all members want to go on holidays, but few of them want to say it, few of them dare admit it.

As a matter of fact, for at least two weeks, there has been a backstage game to know whether the government would succeed in passing unanimously and without debate an adjournment motion to send members of Parliament back on holidays or whether a debate would take place. We are now debating that matter and undoubtedly, just as all other hon. members, we also need to be close to our constituents, to meet with them, to know what they think of the measures introduced by the government and to know what they think about our position as regards the government's measures. We always try to keep in touch with our constituents but this is very difficult while the House is sitting. We have only weekends to do it, which means that a member who wants to keep in constant touch with people in his riding must be working seven days a week. That is what we are doing.

During this special session which was called together to deal with the railways strike, the present minority government has taken advantage of it to calm down the people's protest and introduce a few social measures which, undoubtedly, would not have been put forward in other circumstances or would have been introduced much later. And even though we, members of the Social Credit party, have supported the passage of this social legislation, knowing that it could enable Canadian families to face inflation, the ever increasing cost of living, we never believed that these improved social security measures would do anything at all to solve the inflationnary crisis that we endure at present.

Nothing in this social legislation will prevent the cost of living from going up; perhaps the contrary will happen because those higher social assistance payments will have to come from somewhere either through heavier taxes, through borrowing or by cutting the expenses of other departments. Whatever happens, some will suffer from them.

We have also supported the grant program introduced by the government as regards milk, wheat, and bread. We would have preferred—our leader, the member for Témiscamingue (Mr. Caouette) requested it strongly—that this subsidizing be granted throughout the food market as bread and milk are not the only items that were or will be more expensive. People say that the price of milk, following the payment of this grant, has gone down by 4 cents a quart. I do not quite agree with that because care has been taken to readjust the price upward a little before this grant was made. So they raised the price then reduced it by 4 cents and said that the price of milk had been cut. I do not agree with this point of view.

The same thing happened with bread. In my region, the price of a 24-ounce bread suddenly jumped by 11 cents and, after the government grant, it was cut by 6 cents. After that they said: We have cut the price of bread by 6 cents.

Once more, I do not agree with this point of view. But in any case, if a grant was made for two items this subsidizing should have been granted for all food items because in the area of meat, mainly beef, the prices have increased sharply and people thought: If we can no longer eat meat we will have a way out with spaghettis. Now a report from the Plumptre Commission states that the price of durum wheat has increased or will increase by about 300 per cent which means that spaghettis will cost much more. So low income families will be unable to turn to that other source of food.

It has also been reported that the price of navy beans which are used to make pork and beans has increased by 100 per cent. Once again, we will be unable to get away with it.

This therefore means that in almost every case where food is concerned, substantial price increases have led families to experience a depression similar to that of the thirties. At that time, there was not enough money; today money is circulating, but a price explosion has reduced the purchasing power of money and families are in conditions similar to those during the depression.

Those who are lucky enough to hold a steady and remunerative job can still get off scot-free, but those who have a fixed income, who are fighting against illness or disability, those who have no other source of income but the money paid by the government are certainly at a disadvantage.

As for the present Prime Minister (Mr. Trudeau), you could say that he is now in the second stage of his leader-

ship. During the first stage, he had a strong government with a large majority, but he now leads a minority government. To complete his experience, he only needs to occupy one of the seats on the side of the opposition. Then, the experience would be complete. He would see both sides of the picture.

Still I wonder if there would be that many changes. For some time, and especially since the last elections, the official opposition has blamed the government in all kinds of ways, particularly these last few days, for its nonchalant approach to the problem of inflation.

However, the official opposition has been careful not to suggest effective solutions, which leads us to believe that if the roles were reversed, we would be faced with the same situation.

This debate, which seems to have turned into a throne speech, does not mean that this session is finished, but that it will probably continue as of October 15. There will still be many things to do.

For instance, in the field of farm production, with regard to eastern Canada, there is still much to do to make the feed grain transportation subsidies efficient, which would help to lower the production cost in the east and to make the farm production of the eastern regions more competitive.

There is also a problem that is far from solution, unemployment. The government is still fighting two major problems: inflation and unemployment. If it wants to fight inflation too strongly, it increases the rate of unemployment, and if it wants to fight unemployment, in starts inflation. Finally, it succeeds in stopping neither one nor the other.

According to the morning papers, the government is already trying to find excuses for the high increase in unemployment to be announced soon. It has been said that it is caused by the influx of young people on the labour market. The pretext is given that the young do not register, or do so in lesser numbers, at colleges and universities.

It is a fact that fewer do so, or fewer than were expected, but the reason for this is that they do not have the money required to attend university or college. Having been turned down for scholarships or loans, the young people of Quebec are forced to drop out of school and find work. This is a serious problem. In fact, through its inaction and lack of foresight, the government is delaying these young people's studies.

There is another problem—of which the government, to my mind, is partly responsible—and that is the fact that the efforts of the government to ensure slightly better family income have been hampered by rising interest rates. I do not wish to belabour the point because only recently my leader, the hon. member for Témiscamingue, discussed the issue very advisedly in the House and blamed the Governor of the Bank of Canada for setting the prime rate of that bank according to the wish of the chartered banks rather than the needs of the Canadian people.

Again, that is one of the causes of inflation and the Bank of Canada is not playing the role it should be playing as required by the Parliament of Canada under the Bank of Canada Act.

[Mr. Laprise.]

Mr. Speaker, there is still talk about inflation. We will have to talk about it until measures are brought in to solve that problem. I am not yet convinced that the government is as anxious as it says it is to fight inflation because that very inflation suits the Minister of National Revenue (Mr. Stanbury). In fact, every increase in prices results in a tax increase. I showed that recently in the House by producing bills for lumber, furniture, clothing and other manufactured goods. Every increase in costs results in higher taxes, in more revenue for the government without their having to raise the percentage of those taxes. It becomes a hidden tax increase, and that suits the government.

Those are so many points that should be discussed and dealt with, especially after the House resumes on October 15 next.

Solutions will have to be found before the end of the year so that the Canadian people may start 1974 not only with the hope but with the assurance of deriving benefit from the resources available in Canada and from the production that industry, agriculture and the Canadian workers are prepared to put at the disposal of the Canadian consumers.

So, steps will have to be taken in order to allow this production to satisfy the needs. That is what the Social Credit Party of Canada has always called for and we shall keep on doing so both in the House and throughtout Canada, and we shall take advantage of this recess to tell the Canadian people about it.

● (1430)

[*English*]

Mr. Frank Howard (Skeena): Mr. Speaker, in my remarks on the debate on whether we should adjourn until October 15, I want to raise two matters. The first matter, and I say this without casting any reflections, could have been dealt with in the question period. I wanted to address a question to the Prime Minister (Mr. Trudeau), to which he could respond. I shall now put this forward as a representation. I hope that he and the government will give it consideration and that there will be a reply when the Prime Minister returns from his visit to the mainland of China.

There are in my riding, and in Vancouver, Toronto, Montreal and many cities of Canada, number of Canadians of Chinese origin. My colleagues of the NDP and I have expressed some concern about this. For some time, we have supported the idea that the government should seek to establish on the mainland of China immigration offices, in order that those Chinese in this country who have relatives living on the mainland of China should be able to take full advantage of the services of government. We hope that when the Prime Minister visits China, that he, in conversation with the officials and the government of the People's Republic of China in Peking, will seek to have opened, perhaps in two areas in mainland China, immigration offices, and establish there representatives of the Canadian government immigration service.

The homeland of a large proportion of people of Chinese origin in Canada is the province and city of Canton, in south China close to Hong Kong. In recent years people of Mandarin origin, as we loosely call them, as distinct from Cantonese, have been coming to Canada from north

China. People of Chinese origin living in Canada find it almost impossible to sponsor mothers and fathers and close relatives who are living on the mainland of China, because there are no immigration facilities in China. They should be given hope, by way of the establishment of immigration offices in a couple of places on Mainland China, so that those Canadians of Chinese origin or people of Chinese origin who are living in Canada and want their relatives to come over here to live, may have the opportunity of sponsoring those relatives, and of having those matters dealt with in the normal course by an immigration department, according to the immigration policies of Canada.

The other thing I want to mention has to do with the motion before us. Not long ago the Leader of the Opposition said—I gather his comments were as the result of conversation he had had with other members of the Conservative party—that the House might as well adjourn, because there is nothing of any consequence on the order paper.

Mr. Baldwin: No, there was nothing of consequence to the economy.

● (1440)

Mr. Howard: I did not hear that chitchat.

Mr. Baldwin: I will stand up and repeat it if you want.

Mr. Howard: The hon. member for Peace River (Mr. Baldwin) had an opportunity to make his comments a while ago. With great blessing, he placed his hands on the motion, wrapped himself around it and said, yes, let's go.

Mr. Baldwin: No.

Mr. Howard: Is the hon. member prepared to sit next week?

Mr. Baldwin: If the government will produce some economic legislation and you are prepared to vote for it.

Mr. Howard: The hon. member is quite adept at speaking from a sitting position. I suggest the Conservative party made the declaration we might as well pack up and go home because there is nothing of consequence on the order paper.

Mr. Baldwin: Mr. Speaker, I rise on a point of order, as I am entitled to do when I am being improperly quoted. I said we were prepared to accept the adjournment motion because the government does not have anything on the order paper which indicates a willingness to deal with the economic problems of this country. With that slight correction, the hon. member is correct.

Mr. Howard: There is an item on the order paper dealing with foreign investment in this country. That deals with economic matters to a far greater extent than most people realize, If the hon. member for Peace River says that is not of consequence in so far as economic matters are concerned, then I was correct in my opening remark.

Mr. Baldwin: If so, it was the first time.

Mr. Howard: That is in keeping with the position the Conservative party has taken on corporate matters. My leader, the hon. member for York South (Mr. Lewis), mentioned the two occasions when legislation was before this House and the Conservative party endorsed, kissed and hugged it. It was in their interest to do so because it benefited the corporate elite of not only this country but the world.

There is another item on the order paper which is of consequence. I would be quite happy to stay and deal with it. I am sure the Conservative party would also, although they did not say so. They did not feel it was worth while mentioning. I am referring to the subject matter of the motion of the hon. member for Kingston and the Islands (Miss MacDonald) which deals with the aboriginal rights of native people. Since the debate concluded on April 11, members of the Conservative party have not done a solitary thing to have that debate revived. We tried a few days ago, with no success. If it were revived and came to a vote, I am sure the Conservatives would vote for it because they did so in committee.

Action on the part of the government on the question of aboriginal rights has been rather shabby. Under the Standing Orders, the government has kept that motion covered. It has refused to bring it forward, although there have been many opportunities to do so. The government would sooner introduce a motion to adjourn than call that motion for discussion and debate. It would only take a few moments to have a debate and vote on the motion. Parliament could express itself on the question of aboriginal rights. That is a denial of the responsibility of the federal government.

In Vancouver in 1969, the Prime Minister (Mr. Trudeau) in a most offensive way called the Indian People "historical might-have-beens". Incidentally, he was speaking to a group of Liberals. He declared the government would have no concern or give any consideration to the concept of aboriginal rights. He rejected them. He clung to that position until October 30 last when there was a transformation in the minds of the Liberals in many areas. As a result of the Liberals being soundly defeated, even though they are still in office, the Prime Minister and others in the cabinet felt it necessary to change their stand on aboriginal rights. They now recognize there is some legal base with regard to the claim of the Indian people. That is not good enough.

The Prime Minister, the Minister of Indian Affairs and Northern Development (Mr. Chrétien), the government House leader and all others in the cabinet still refuse to bring that motion forward so that parliament can express itself on the question of aboriginal rights. Their attitude is that one man, the Prime Minister, should decide whether this House should vote on the question of aboriginal rights. He has decided we will not have that right.

The Liberal party has a bleak record with regard to aboriginal rights. This dates back to 1910 or 1911 when Sir Wilfred Laurier was Prime Minister. At that time, the government wanted the Indian people to take their case to the Privy Council in London. At that time, the Privy Council in London was the final court of appeal. The order in council that was passed set up the mechanism for the Indian people to take their case to the highest court.

However, the order in council was worded in such a way that even though the Indians might win their case before the Privy Council, they must agree to lose it. In other words, they had to agree to sign a treaty on the same basis as treaties which were signed in the early days, namely that they would get $5 a month, a sack of flour, 100 feet of twine, a bit of gunpowder and a new suit of clothes every three years. That has been the attitude of the government since that time with regard to aboriginal rights.

Although the government has now been forced to admit these people perhaps do have these rights, it is now denying its constitutional responsibility. The Prime Minister and the Minister of Indian Affairs and Northern Development say they recognize the validity of the force of the proclamation of King George III, which was made long before Canada was founded as a nation. They recognize the proclamation states we should treat with respect the claims and rights of the Indian people of this land.

When Canada was formed as a nation in 1867, a phrase was included in the British North America Act that the parliament of Canada has exclusive jurisdiction over Indians and lands reserved for Indians. In 1867, parliament committed itself to carrying out the proclamation of King George III, which the Prime Minister and the Minister of Indian Affairs and Northern Development now say they recognize as being valid. Although they say we have that constitutional responsibility and recognize the validity of the proclamation of King George III, they are not going to do anything about it. They want to shunt that responsibility to the provincial governments. Even though the provincial governments do not have anything to do with this question, they want them to say where they stand before entering into any discussions or negotiations.

● (1450)

I think it indicates once again the deceitfulness of the Liberal party in dealing with the native Indian people, and particularly with their claims to aboriginal and hereditary rights. It reflects once again the deceit started by Sir Wilfrid Laurier in 1910 and 1911, a deceit which was repeated in 1913, which was repeated in 1915-16 with the Royal Commission, which was repeated in 1926 before the joint Committee of the Senate and the House of Commons, which was repeated in 1948, which has been repeated every single time the question of aboriginal rights has come up for discussion and consideration. Since we are in the position of being a House of minorities, and since there is now one opportunity available to us to force the government to deal with issues on their merits, as has not been the case in the past when they had a majority on their side, we should not rest until parliament has been allowed an opportunity to declare itself on this issue of aboriginal rights and set the stage once and for all for a decent and responsible settlement of the aboriginal rights claim in this land.

As I said before, I think it is shabby and shameful that one man, whether the Prime Minister or the Minister of Indian Affairs and Northern Development, should set himself above parliament, should set himself above a committee of parliament and say: I don't care what the committee recommended in connection with aboriginal rights, I shall not let parliament have any say about it at all. I had hoped that somehow or other the Conservative party might have combined with us—the few of us who are interested in this subject matter—to say to the government: No, we shall not permit you to adjourn until we have dealt with the question of aboriginal rights in a declaratory way, until parliament has had a say about it. I hope—and this is all I can do at the moment—that commencing on October 15, when we come back to resume this parliament, we shall deal with item No. 32 on the order paper, the report of that committee endorsing the concept of aboriginal rights and calling upon the government to enter into meaningful negotiations for a settlement of that matter. I hope the government will have the courage to say: yes, we are going to resume the debate on the motion standing in the name of the member for Kingston and The Islands (Miss MacDonald) and seconded by myself. In this way, parliament would be in a position to declare its view on this issue, and thereafter, whatever government came to office, whether a minority or a majority government, parliament would have spoken, not just one man in government.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Mr. Howard: On division!

Motion agreed to on division.

Mr. Howard: Mr. Speaker, I rise on a point of order to determine from whoever is government House leader, or whoever is acting in his place, the intention of the government with respect to the business of the House until four o'clock, approximately an hour and four minutes from now.

Mr. Reid: Yes, Mr. Speaker. It is our intention to call the amendments to the Parole Act now, and when discussion of that measure has been concluded we would call the Co-operative Credit Associations bill, to which we hope second reading will be given. At that point, consultation could take place and if there were agreement among hon. members not to proceed with private members' hour we would be prepared to adjourn at 4 p.m. or when the Co-operative Credit Associations bill is passed through second reading, if that so happens.

GOVERNMENT ORDERS

[*English*]

PAROLE ACT

APPOINTMENT OF ADDITIONAL AD HOC MEMBERS TO NATIONAL PAROLE BOARD

The House resumed, from Wednesday, September 20, consideration of the motion of Mr. Allmand that Bill C-191, to amend the Parole Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I hesitated to rise because I thought the House leader for the official opposition party might have been able to arrange for the House to consider a subject in which I am particularly interested. However, I gather negotiations to that end have not been fruitful.

Bill C-191 seeks the addition to the National Parole Board of ten ad hoc members. This raises the whole question of what the National Parole Board has done over the years, what society has demanded of the Board, and whether or not the parole board has been doing what we hoped it would do in relation to the weeding out of the inmates in our penitentiaries. Looking back over the history of our penitentiaries, we find that no matter what the National Parole Board has done in relation to the prisoners the numbers of prisoners returned to custody after forfeiting parole has remained over the years relatively even. For the last ten years the level has remained relatively steady at around 10 per cent.

It is interesting to note that in 1958, in the first year of the board's operation, this rate was considerably lower. I asked some of my colleagues why it was almost half of the current figure. They pointed out that a lot of the people in the penitentiaries at that time were exceptionally good risks and that in the first year of its operation the board was able to draw from a group of prisoners who obviously would not have been there had the board been able to operate earlier. I think it is a fact that today there are too many people in the penitentiaries and too few people being let out on parole. It may be that parole is not a satisfactory arrangement. Obviously, people who are interested in penal reform are looking at systems alternative to the parole system we use in Canada.

It is fortunate that the parole board has the help of some blue chip organizations which operate in this field including the John Howard Society and the Elizabeth Fry Society in conjunction with community services run by provincial governments and others, to see that a prisoner who is released on parole has a chance of being accepted in the community. There are other steps which should be taken. I have been interested for a number of years now in an organization in Hull, Quebec, which refers to itself as Ex-Cons. I have never heard the hon. member for Hull (Mr. Isabelle) say anything about this organization. I have not heard him ask the Solicitor General (Mr. Allmand) for support for this organization. He may not know about it. If he does, he certainly has not been helpful. But this is an organization which is unique. It is made up solely of ex-convicts from federal penitentiaries, assisted by one or two pulp and paper companies, the provincial authorities and a large number of people who are interested in helping the ex-cons to help themselves.

● (1500)

Although this has been fairly satisfactory, every time I raised the matter with the Solicitor General (Mr. Allmand), the Minister of Justice (Mr. Lang) or any government department that might have money available to put into the organization, I was told it was too dangerous, that it obviously would not work. In Hull, which is not the biggest city in this country, they have an enrolment of at least 1,000 ex-cons and their record is exceedingly good. They have also assisted other prisoners in finding jobs, rehabilitating them in the community, finding housing, getting various projects organized, and they have helped themselves very well. This organization is not supported by the penitentiaries branch. It is not even supported by local members. But I suggest hon. members take a look at it because it has succeeded in creating for ex-cons an environment in which they can ask the questions they want to ask and get the assistance they need from people completely sympathetic to their position.

The parole board is very much like a pyramid with Mr. Street at its apex. People who have studied the National Parole Board over the past ten years will be well aware of the limitation of the chairman of the board in the field of public relations. If he reads in a newspaper that one of the decisions made by the board turned out to be wrong, he becomes scared: the whole parole board from top to bottom becomes scared—but nothing happens. According to the figures, every time there is an accident and a public outcry ensues because of a decision of Mr. Street, there is a great reduction in paroles granted that year. Yet there will always be accidents because these are people who have proven that on at least one occasion they were not compatible with today's society. This in turn means the Solicitor General will have to have more penitentiaries built, and once these institutions are constructed they are filled.

I remember the discussions that took place, long before St. Vincent de Paul was closed, about new maximum security institutions. In that penitentiary at that time there were very few people who were complete maximum security prisoners, confined in cells or in the hole, segregated from the others because they were dangerous to the population in the penitentiary and certainly to society if they were to escape. There were eight or ten of these people at St. Vincent de Paul, about the same at Kingston, and I suppose a few at other maximum security penitentiaries. A maximum security penitentiary was built in Montreal to replace St. Vincent de Paul. This was a maximum maximum security prison accommodating about 350 persons, but obviously there was no need for the number of maximum maximum security accommodations that were provided.

I should like to move a six months' hoist on the second reading stage of this bill because I am opposed to appointing additional people to the parole board just to fill more jobs. The whole question of parole should be examined to see whether we are accomplishing what we have in mind. I heard one of the hon. members from Calgary last night saying he was very much opposed to back-to-back temporary leaves. I also heard the Solicitor General say the same thing. But did either of these members ask themselves why back-to-back leaves were being granted? A leave of three days has another leave of two days added so these prisoners are allowed to work in the community. This was being handled by the penitentiary service because the parole board was not doing the job it was supposed to be doing. Do the minister and the hon. member from Calgary not know that this practice was established because of the failure of the parole board to meet the needs of the day?

I suggest that the members of this House seriously consider putting on the parole board some of the officials working for the penitentiary service who deal with prisoners. I have in mind officials from the classifications

branch who deal with 15 to 20 prisoners, not in the custodial sense but, rather, who deal with their problems not only in relation to their sentence but the environment from which they came and the environment to which they will be discharged. It seems to me that no minister can feel very proud of the operations of the National Parole Board or the penitentiary service until he begins to solve the problems of people that cause them to go to jail in the first place. He must understand the social conditions that created the environment which resulted in their going to prison. I refer in particular to the large influx of prisoners into penitentiaries today because of drug offences. Members of this House have had their heads in the sand on the matter of drugs. Other countries have examined the problem and done something about it. We have examined it very little and have done very little about it, though I am appreciative of the fact that some judges have used their own discretion on the subject of parole.

I shall not move an amendment on second reading, but I do suggest to the minister that unless he is prepared to make some changes to the membership of the parole board, amendments will be moved at committee stage or in the House. If no changes are made to the bill, then certainly I shall not support it.

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): Is it the pleasure of the House to adopt the said motion?

Mr. Peters: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

* * *

CO-OPERATIVE CREDIT ASSOCIATIONS ACT

AMENDMENTS RESPECTING DEFINITIONS, MEMBERSHIP, INCORPORATION, OBJECTS AND POWERS

Hon. Jean-Pierre Goyer (for the Minister of Finance) moved that Bill C-183, to amend the Co-operative Credit Associations Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

● (1510)

[*Translation*]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this bill provides for some amendments to the Co-operative Credit Associations Act which governs the operations of all federally incorporated cooperative credit associations, as well as central provincial credit unions that come under the act by becoming members of such a corporation.

At the present time, there is only one federal corporation, the Canadian Co-operative Credit Society, set up by a special act passed by Parliament in 1953, members of which are the provincial central corporations of British Columbia, Saskatchewan and Manitoba. The Ontario Co-operative Credit Society was a member until its recent merger with the Ontario Credit Union League Limited, and the new organization thus created has submitted an application. Some applications have been received from Nova Scotia and Prince Edward Island, and we have reasons to believe that others are forthcoming.

This bill is essentially a response to the request made by the federal agency and its members to amend the act by updating it and allowing the Cooperative Credit Associations, which are at the present time or may eventually be governed by it, to meet more effectively the changing needs of the cooperative movement, while maintaining adequate financial guarantees.

When the Co-operative Credit Associations Act was initially introduced in the early '50s, it provided not only for formation and operation of Co-operative Credit Associations at the federal level, but granted a federal charter to provincial branches which wanted to be incorporated under this act. This was an excellent association for establishing standards aimed at maintaining provincial branches in a sound financial position. I must say that this is the second time amendments have been proposed to this act since it was adopted. The preceding amendments brought forward in 1969 were also intended to help the association and provincial organizations to pursue their healthy and orderly progress under the conditions prevailing at that time.

The present amendments have four main objects: First, increase the possible membership in the Canadian Co-operative Credit Association as well as in the other associations which could become corporations holding a charter from the federal government. Secondly, increase the investment powers of the co-operative credit associations so that they would be more in accordance with those of other financial institutions. Thirdly, extend other co-operative powers to enable central credit co-operative associations to attend more satisfactorily to the needs of the credit co-operative movement. Finally, to provide for the possibility of granting urgent loans to meet the liquidity needs on the part of the central credit associations and of the provincial organizations created in order to grant a financial aid to the credit corporations.

Several other proposals are included in this bill, proposals which do not belong to the four main groups mentioned above. One of them provides for an amendment in order to legally establish credit cooperatives at the federal level. At the present time, new credit cooperative associations can be incorporated only through a special law of Parliament, although the amendments brought forward in 1969 to the Canada Corporations Act provided for the possibility of bringing some changes in the federal laws governing federal associations by means of patent letters. The proposals to amend the constitution methods are similar to those incorporated during the last few years into the legislation on insurance, trusts and loans. One should also mention here a project to extend the credit cooperative associations' control system, so as to enable the superintendant of insurance to administer the assets of an association under the guidance of the minister, should it be necessary, so as to protect the association. The superintendent would also have the power to administer temporarily the assets of an association if it turned out that some assets were lacking or were not reported properly. These provisions rank with the existing legislation on other

financial institutions which depend on the insurance department.

A number of other amendments are also proposed, Mr. Speaker. Some result from the earlier amendments or they are purely formal. To be more specific, some amendments are rather related to the substance. From this point of view, it is advisable to recall the amendment which would bring from 12 to 18 the maximum number of members in the board of directors of an association. However, the directors representing credit unions should form the majority of the board.

The present law does not include any provision allowing a central credit bank of a province to disaffiliate from the Canadian Co-operative Credit Association and to escape the Co-operative Credit Associations Act. Provisions are presented which will from now on allow disaffiliation when the minister is convinced that the interests of the federal association and of its members are protected. One of the other amendments proposed relates to the acceptance of the association's auditors and would allow the members of an association to dismiss an auditor and to appoint another one. In the case of dismissal, the superintendent of insurance should be advised.

Presently the law forbids a provincial central bank under the Co-operative Credit Associations Act to accept deposits from another province or to grant loans outside the province where it has been established. We propose to cancel this prohibition in order to give more flexibility to provincial central banks.

Other proposed amendments would enable the members of the Canadian Co-operative Credit Association to vote by proxy, to use the amortized value in the evaluation of federal and provincial government bonds and to give the board of directors of an association more latitude in determining the net annual profits which should be affected to the reserve for unforeseen events.

Allow me to remind you that the changes proposed in this bill were requested by representatives of the federal association and of the affiliated provincial associations. They were also studied as a whole, in an official way, with the provincial authorities, with which close relations should be maintained so that the provision concerning the lender of last resort that I have just described, is applied satisfactorily. They have expressed their interest and their desire to co-operate.

The government is aware of the expansion and of the growing financial strength of the credit movement and of its past and future contributions to the economic development of our country. An obvious indication of its strength and of its importance is the fact that the total assets of local credit unions amounted to more than $7 billion at the end of 1972.

Mr. Speaker, I am convinced that all hon. members will want to deal quickly with this bill which fulfils the requests made by the co-operatives and credit managers concerned.

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the Parliamentary Secretary to the Minister of Finance (Mr. Comtois) has pretty well read what I have in my notes on what I consider to be the ambit of this bill. I suggest it covers many things and is not a simple or uncomplicated bill. It has many clauses which touch upon a great number of the activities on the financial side of co-operative societies. It does not merely deal with producer co-operatives but, rather, with the Co-operative Credit Associations Act.

I have been struck over a period of years by what seems to be a full-cycle turning of the wheel. The origin of co-operative credit associations, federations and the national association resulted from the need of people with rather limited means who wanted to help one another by lending money for business or residential purposes, and gradually they grew.

● (1520)

Three years ago we established a co-operative mortgage association that differs very little from a standard mortgage operation. We know from that that there are documents which a credit union or any one of its organizations signs with one of its members as a result of a lending transaction. This differs little from the standard type of mortgage with a mortgage company, insurance company or bank. We know that many co-operative credit associations actually carry out banking functions. They are the heart and core of what we call the credit banks, ce sont les Caisses Populaires. They are under another name in other provinces. There is one major difference. No longer are they small organizations. There are rumours to the effect that one co-operative organization actually controls one of the chartered banks in this country. There is a difference as a result of the changes under the Income Tax Act. These co-operatives do not pay any income tax.

There is a reference to the granting of powers of investment to these co-operative credit associations similar to those under the Canadian and Foreign Insurance Companies Act. They are going down the same road. However, again they are not taxed. They do not pay any income tax and yet a mutual insurance company owned by the policy holders, which in effect is a co-operative but comes under the Canadian and Foreign Insurance Companies Act, is taxed. Personally, I should like to see what the lines of demarcation and conditions in respect of these organizations are. Is it right, for instance, to say that a co-operative organization in the field of insurance or investment similar to a mutual insurance company should be taxed because it is a standard insurance company, and that the other ought not to be taxed under the Income Tax Act?

It was the proud boast of those who supported the changes in Bill C-259 that there should be equity among taxpayers. I have just shown where there is great disparity among taxpayers. I should like to see developed, as a result of the amendments under Bill C-259, what has been the expansion of the co-operative giants in certain fields, particularly in western Canada, so that we may know whether that has been for the good of the public.

At the time of the revisions to the Bank Act in 1966 it was my contention, which I have repeated, that our Bank Act, being restricted only to the one type of bank, the chartered banks, does an actual disservice to the country and that the Canadian Bank Act should cover every institution that carries out a banking function. If any organization, whether a co-operative, mutual, public or private

merchant bank, carries out the banking function, then the activities of that organization should be subject to some part of the Bank Act, not all of it, the same as the chartered banks. They should be subject to control under the Bank Act. Banking is a federal prerogative, and there it should be.

As in the case of co-operatives, we see how these organizations can move in under the deposit insurance privileges extended to banking institutions primarily. This provides for any member of a co-operative credit association to have recourse to the Deposit Insurance Corporation as a lender of last resort in the event it becomes involved in difficulty. I do not object to that because it means the depositor of a trust company, bank or credit union, where there has been a misfortune, error or, perhaps culpable dishonesty, at least shall be protected. This is the purpose of it.

I have outlined these particular questions which I think we want to examine in committee. I hope we will be able to have the representatives of the National Credit Co-operative Association before us to go into these questions, because before long we will see another revision of the Bank Act. I feel certain in my mind that my thesis of 1966 has been reinforced by the experience of the past few years, and that we will have to have a comprehensive banking act passed by the parliament of Canada in order to place all financial institutions at the same high level of performance which would be for the protection of the Canadian public. So, Mr. Speaker, I think we are satisfied to have this bill go to the committee where it may be given the careful examination that it deserves.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise for only a minute or two for the purpose of saying that the New Democratic Party is prepared to support the second reading of this bill so that it can go to the appropriate committee to be studied. Although it is a bill of some 40 pages, with a great deal of technical and complicated language, it contains, as the parliamentary secretary pointed out, three main features. In the first place, it opens to co-operative credit associations certain doors that at present are closed to them. In the second place, it facilitates the incorporation of co-operative credit associations. It makes it possible for this to be done by letters patent, instead of the necessity of always having to obtain an Act of Parliament. In the third place, it extends the powers of the Superintendent of Insurance with regard to the surveillance of co-operative credit associations so as to protect the interests of members of such associations.

It is obvious from the remarks just made by the hon. member for Edmonton West (Mr. Lambert) that when the bill gets to committee there will be a rehash of the old debate about the position of co-operatives, whether we are talking about co-operative credit associations, consumer co-operatives or producer co-operatives in respect of income tax. This raises the whole question of the rationale of co-operatives as opposed to private business. I do not intend this afternoon to enter into that argument. I simply say to the hon. member for Edmonton West that it will be joined when the bill gets to committee.

[Mr. Lambert (Edmonton West).]

● (1530)

We would have been prepared to go a little further with this bill today, but the general understanding is that it would be more satisfactory for it to go to the appropriate committee. Therefore, we are prepared to agree to its second reading at this time.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

HOUSE OF COMMONS

TRIBUTES TO HON. MEMBER FOR PEACE RIVER AS HOUSE LEADER OF OFFICIAL OPPOSITION

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I should like to have the indulgence of the House briefly, before suggesting that we indicate there seems to be agreement that there be no private members' hour and that we might see both four o'clock and five o'clock simultaneously, to say a word or two about one of our hon. members here present.

The hon. member for Peace River (Mr. Baldwin) has served as the House leader for his party for as long, I believe, as I have been here. I have now learned that he has been given strategic and other duties and that his ordinary duties in the House have been entrusted to other hands. We will naturally await the new hands with expectation and interest. However, I do not think the occasion should pass—and I know that if the President of the Privy Council (Mr. MacEachen) were here he would not want it to pass—without saying how much hon. members on all sides of the House have appreciated the contributions of the hon. member for Peace River in his role as the House leader for his party.

Some hon. Members: Hear, hear!

Mr. Lang: I know that nothing I may say will tame him in his role as member of parliament for Peace River in the future. Indeed, as minister responsible for the Wheat Board I fear he may have some additional time and effort to direct to that interesting area. But certainly we have all observed his great ability not only to co-operate and facilitate the business of the House, when that was the clear objective in mind, but also his ability to engage in our numerous points of order and problems of procedure, particularly when Your Honour had found at first glance that there seemed to be no case at all. Then we have heard an immediate and studied examination of the problem by the hon. member for Peace River. Indeed, but for the fact that someone as experienced and as understanding as Your Honour could see what was quality of argument and what was argument in substance, he would have carried the day every time he spoke.

His interventions were often witty and almost always directly to the point. Quite often they were the cause of the kind of pain which is completely permitted and expected in this place. I simply want to say, on behalf of all of us, how much we have enjoyed his performance in that role. It has added greatly to the quality of the work of

parliament. The hon. member has been, in that role, a dedicated member of parliament and I now wish him well in his new role as the hon. member for Peace River.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as a rule, when statements are made by the various House leaders in this House of Commons I have to await my turn as the House leader of the third party. This is a red-letter day for me because I get in second.

Mr. Marshall: You deserve better.

Mr. Knowles (Winnipeg North Centre): I thank the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) for his suggestion, but may I say that it is a distinct pleasure for me to join with the Minister of Justice (Mr. Lang) in expressing these words of appreciation of the work that the hon member for Peace River (Mr. Baldwin) has done as the House leader for the official opposition. It has been my pleasure to know the hon. member for Peace River since, I believe, 1962. We have been associated as members of that local union known as the House leaders' club since 1968, and indeed we have become not just colleagues in that role but warm and close friends.

The Minister of Justice is quite right in his assertion that the hon. member for Peace River has been most useful when it has been necessary to achieve co-operation to speed up the business of the House. I may say he has also always been very effective when the aim was to slow down the business of the House. In any case, not only has he done well as the spokesman for his party in the inter-party negotiations that have had to take place, but he has made a contribution to the effective working of this House of Commons as a parliamentary institution.

It is good to know that we are not indulging in some kind of obituary or final eulogy, as if this were the end of the road. I see by press reports that it is a beginning, the hon. member has been given a post that as a matter of fact may be superior to that of House leader, for he may be the eminence griesé who determines where and how this House goes from here on.

I was sorry when I learned a few weeks ago that the hon. member for Peace River was planning to leave his present post. I suppose I have to say that I have seen a number of Conservative House leaders come and go. Some of them I have been glad to see go, but not this one. So I join with the Minister of Justice in this tribute to the hon. member on the effective piece of work he has done I also extend my congratulations to the hon. member for Saint John-Lancaster (Mr. Bell) who, I understand, is to become the House leader for the Progressive Conservative party. We all know him well, and I think it will not be a difficult job at all for the other three of us to break him in to the role which he takes over.

I am glad that the Minister of Justice raised this point, and we shall look forward to an appropriate response from the distinguished and very honourable member of this House, the member for Peace River.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I am deeply moved by the sentiments that have been expressed. As a matter of fact, if I have time after making these few comments I hope I will be able to get back to the media to revise some of the things I have been saying to them in the last half hour.

Let me say at once that I have thoroughly enjoyed the experience I have had over the past five years. It has been a long time. I will have from now until the middle of October to revert back to trying to become an ordinary human being, after being House leader, and this I say with deference to the hon. member for Winnipeg North Centre (Mr. Knowles) who, of course, has managed to undertake the task in his stride. I call him an extraordinary human being. During the course of our experience as House leaders, associating with several House leaders from the government side—at times the Minister of Justice (Mr. Lang) and others—we have tried to establish, through the medium of the House leaders' group, a "usual channels" type of institution to correspond with what we see in the United Kingdom but with a particular Canadian application.

I am one of those who are thorough believers in the virtues of this institution and what it can do. I know that as Your Honour sits up there you must sometimes, especially during the question period, wonder about the quality of those virtues. I am sure the government will agree with me when I say there is a need to have in a House of Commons an opposition to challenge, to scrutinize and to elevate the adversary system in the House of Commons so that the benefits which accrue to the people of Canada through it are not left in doubt. This is the point we have been working toward, and I think we have made some progress.

• (1540)

We have thoroughly enjoyed our relationship with the President of the Privy Council (Mr. MacEachen), and I think it was a good thing to have had the Minister of Energy, Mines and Resources (Mr. Macdonald) as government House Leader. He certainly constituted a very great challenge to us from time to time to work and achieve our objectives.

To make this a better House of Commons so that we can carry out our duties as the agent for our party is essential, but at the same time we must make sure that the business of the House, which is the business of the country, goes forward. This has been our objective. I am able to say that this has been an enjoyable, profitable and useful experience. I am quite convinced that my successor, who will have the confidence of our party, will continue in the same way as I have in trying to achieve those objectives.

I have enjoyed appearing before Your Honour, although I have not always won my arguments. Your Honour's decisions are not appealable, of course, but I am not suggesting we would win any appeal. I recall that when I was a very young lawyer practicing in Peace River, one of my first cases was defending a man who was charged with bootlegging. I thought I made a very good defence before the magistrate and I was young enough to feel that my argument should be accepted. The magistrate found against me, and I thought he had made a particularly bad decision. When he had left the chair, I jumped up and said, "Your Worship, I intend to appeal this case". The magistrate was half way to the robing-room but he turned around and returned to his chair saying, "Mr. Baldwin, I

will hear your appeal right now". That is the position we are in with Your Honour.

I have enjoyed the arguments; and Your Honour has, of course, had the advice of his trusted officers at the table. I think we are making progress in changing the jurisprudence of this House. I have enjoyed every bit of it and I look forward to staying for a considerable period even though, I might say, Mr. Speaker, we may have some very important changes in where we sit in this House.

Mr. Speaker: Perhaps, contrary to practice and tradition, the Chair might be allowed to add one brief word to what has already been said. This would give me an opportunity to express my personal admiration for the hon. member for Peace River (Mr. Baldwin) and the way in which he has discharged his responsibilities as House leader for Her Majesty's official opposition.

It is well known, and is part of the tradition of the House of Commons, that when serious problems arise or there is difficulty, the Chair should seek the advice of the senior members of the House. Certainly this has been my policy and a number of senior members of the various parties have been consulted from time to time. I see a number of them in the House at the moment. This includes, I might say, the hon. member for Winnipeg North Centre (Mr. Knowles), and obviously it includes the hon. member for Peace River. At all times the hon. member for Peace River has been helpful, kind and generous in the advice he has given me personally, and I have always appreciated it.

In the discharge of his duties, the hon. member has exemplified what I think is best in our Canadian parliamentary tradition. In his difficult role he has been strong and aggressive, as he is entitled to be and ought to be—but this has always been marked by the virtues which are those of a temperate and intelligent man, one who has been in all circumstances a highly civilized person. I think this is a virtue which is still important in this institution, and in my view the hon. member for Peace River has exemplified these virtues in past years.

This is not an obituary in any way, as the hon. member for Winnipeg North Centre said. Having occupied the high office he has in recent years, the hon. member for Peace River may soon expect to go higher. The only question is, how high will he be going? I hope that in the next weeks or months that decision will not be up to the Chair, unless it gives me an opportunity to replace the position which he held before.

I am sure we are all of one mind and one heart at the present time and congratulate the hon. member for Peace River. We wish him happiness and success in the continuing discharge of his duties, in the service of his party in the House of Commons, that of his constituents and of the people of Canada.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to say a word on this matter although it is difficult for me to speak about the hon. member for Peace River (Mr. Baldwin) because since I came to this House he has been such a close colleague and associate. I have leaned upon him so many times.

As you say, Sir, this is not an obituary. The hon. member will continue in the House and it will merely be a matter of changing his responsibilities somewhat. It is a very arduous task, a very demanding task to be the House leader of a party in this House. To be House leader of the official opposition is very exacting in terms of trying to anticipate what the government might be doing. I do not say that in any derogatory way that reflects upon this particular government, but in the nature of things the opposition does have to react in the sense that the government is in charge of the program of the House. The hon. member for Peace River has combined a very great knowledge of procedure and the rules with what I believe to be exquisite judgment and a judicious balance of aggressiveness, along with knowing just how far to pursue a point.

I recall that after the past election a member of this House wondered whether the House would come apart as a result of the balance of parties. Thinking back to bygone days when things were pretty rough here, and thinking they might be even rougher, the hon. member raised the point with me. But he was not concerned about its being a lively House; he was concerned about its disintegrating. I want to close by saying, Mr. Speaker, that apart from your own skill and judgment, one of the reasons the House has not come apart has been the parliamentary judgment and attitude of the House leader of this party. Without in any way neglecting his duties to his own party or his position in the opposition, the hon. member has never failed to remember his duty to the House of Commons.

Some hon. Members: Hear, hear!

Mr. Lang: Mr. Speaker, I think there might be agreement to call it five o'clock.

Some hon. Members: Agreed.

Mr. Speaker: There is a suggestion that we adjourn. Perhaps before we do, I might remind hon. members that, according to long-established practice and tradition, the Speaker will be in his chambers for a short while for tea and crumpets.

● (1550)

[*Translation*]

This applies to some hon. members and others will be "dipped".

[*English*]

Pursuant to special order made earlier this day, this House stands adjourned until Monday, October 15, 1973, at two o'clock.

At 3.53 p.m. the House adjourned pursuant to special order made this day.

END OF VOLUME VI